



Office of Inspector General | United States Postal Service

## Audit Report

# Military and Diplomatic Mail Service

Report Number MS-AR-19-003 | July 31, 2019



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# Highlights

## Objective

The U.S. Postal Service partners with the U.S. Department of Defense (DoD) and the U.S. Department of State (DoS) to deliver mail to military facilities in the continental U.S. as well as military and DoS diplomatic personnel and their families outside the continental U.S. Our objective was to assess the Postal Service's military and diplomatic mail service.

Most inbound and outbound international military and diplomatic mail arrives at the Chicago International Service Center (ISC) per a 2012 decision to consolidate operations at this facility to provide better service at a lower cost. The Chicago International Military Service Center (CIMSC) section of the facility processes most of the outbound mail, while inbound mail is sent to other processing facilities. Chicago ISC staff handle and process this mail, as well as other international and domestic mail. There are over 1,000 military ZIP Codes and 100 diplomatic ZIP Codes sorted at the CIMSC. The Postal Service processed over [REDACTED] military and diplomatic mailpieces in fiscal year 2018.

The Postal Service, DoD, and DoS each have responsibilities related to handling and processing this mail. For example, the Postal Service generally handles acceptance of outbound mail transported to the CIMSC, as well as initial sortation and labelling and tendering to the commercial transportation carrier (mostly air or surface). This mail is then transported to the foreign destination, where it is eventually tendered to either DoD or DoS officials, who then handle subsequent sortation and delivery.

The Postal Service's ability to facilitate high-quality mail service is crucial to supporting military and diplomatic operations and upholding its brand and image.

## What the OIG Found

Military and diplomatic outbound mail was delayed in 2018 and 2019, both going to and being processed at the Chicago CIMSC. We noted:

- *Delays in getting this mail to the CIMSC:* Postal Service data for a 12-week period in 2019 showed that [REDACTED] percent ([REDACTED] of [REDACTED]) of military and diplomatic First-Class and Priority mailpieces were late arriving to the CIMSC

from its originating unit compared to its operating target. Most of these delays ([REDACTED] percent) were one day, while [REDACTED] percent ([REDACTED] pieces) were five days or more. These delays were due to management decisions at the originating processing facilities to defer this mail for other domestic mail, hold it until the containers were full, or other operational issues.

- *Delays during acceptance operations at the CIMSC:* Postal Service data showed [REDACTED] delayed mailings in 2018 at the CIMSC during acceptance operations — the time between mail arriving at the CIMSC and being scanned as accepted at the CIMSC. We also observed these delays during our visits. These delays, most of which were one day, were due to emphasis on other priorities, limited staff, or unavailable equipment.
- *Delays in processing at the CIMSC:* DoD and DoS officials raised concerns about delays in processing mail at the CIMSC between the mail being scanned as accepted at the CIMSC and being assigned to outbound transportation for its destination.
- *Delays from sending the mail to the wrong delivery destination:* Data showed over [REDACTED] parcels ([REDACTED] percent of total military mail) were sent to the wrong country in 2018 due to Postal Service staff errors made when labeling mail sacks. These sacks subsequently had to be rerouted to the correct destination. DoD and DoS officials noted they incurred additional costs for correctly re-routing these mailings, some of which could have been delayed by upwards of 35 days or more.

These delayed mail issues were collectively caused by ineffective oversight of operations at the facility level and exacerbated by limited performance measurement (particularly at the CIMSC). More specifically, while the Postal Service measures timeliness from the point of origin at the retail unit to acceptance at the CIMSC, it does not measure the operational time between acceptance at the CIMSC and assignment to outbound transportation for its destination. The Postal Service is unable to measure these activities because it does not scan individual pieces to larger containers — a practice known as nesting. The lack of scanning and measurement for these key processing

activities results in the Postal Service not completely knowing how long it takes to process these mailings and to what extent these operations contribute to delays.

We also estimated over [REDACTED] damaged parcels in 2018. Damaged mail can result in the Postal Service having to repackage these mailings or dissatisfied customers who receive broken or destroyed mailings. These damaged pieces were caused by limited oversight of the following operations at the facility level:

- *Insufficient culling:* Postal Service staff did not cull larger, heavy mailings and process them manually, as required. We noted oversized mailings being processed on Postal Service equipment when they should have been processed manually due to size restrictions.
- *Equipment shortcomings:* We observed that equipment used to process military and diplomatic mail can involve drops as high as 8 feet, which may lead to broken and damaged parcels.

We also found that key administrative documents related to military and diplomatic mail operations were outdated and limited, such as:

- *Publication 38 - Postal Agreement with the Department of Defense:* Postal Service and DoD roles and responsibilities are outlined in this document, which has not been updated since February 1980. While management has been working for years to update this publication to reflect current operations, divergent positions on certain facets have hindered completion.
- *Operating plan:* The Postal Service's operating plan for handling mail at the CIMSC is limited in that it only lists various processing times — it does not

include other key operational information that would be useful to DoD and DoS stakeholders, such as staffing expectations and workload priority, which should be included in such a plan.

These issues have negatively impacted mail service received by military and diplomatic mail customers and have pushed related financial and customer service burdens onto the Postal Service, DoD, and DoS.

## What the OIG Recommended

We recommend management:

- Periodically evaluate operations to provide effective management oversight of the timeliness of military and diplomatic mail to reduce delays in mail arriving to and processing within the CIMSC, as well as ensuring proper labelling of this mail.
- Evaluate a process for scanning individual pieces to larger containers and a method for using this scan data to measure the time between military and diplomatic mail being scanned as accepted and the mailings being assigned outbound transportation and prepared for departure.
- Periodically evaluate operations to provide effective oversight of the processing of military and diplomatic mail to reduce damaged mail, which could include ensuring proper culling and modifying equipment.
- Work with military stakeholders to update Publication 38 and with military and diplomatic stakeholders to update the operating plan related to military and diplomatic mail at the CIMSC.


# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

July 31, 2019

**MEMORANDUM FOR:** ROBERT CINTRON  
VICE PRESIDENT, NETWORK OPERATIONS  
  
ERICA BRIX  
VICE PRESIDENT, GREAT LAKES AREA

Janet Sorensen 

**FROM:** Janet M. Sorensen  
Deputy Assistant Inspector General  
for Retail, Delivery and Marketing

**SUBJECT:** Audit Report – Military and Diplomatic Mail Service  
(Report Number MS-AR-19-003)

This report presents the results of our audit of the U.S. Postal Service's Military and Diplomatic Mail Service (Project Number 19RG004MS000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Joseph Wolski, Director, Sales, Marketing and International, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit Response Management

# Results

## Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service’s military and diplomatic mail service (Project Number 19RG004MS000). Our objective was to assess military and diplomatic mail service provided by the Postal Service. See [Appendix A](#) for additional information about this audit.

## Background

The Postal Service partners with the U.S. Department of Defense (DoD) and U.S. Department of State (DoS) to deliver mail to military facilities in the continental U.S. as well as to military and DoS diplomatic personnel and their families outside the continental U.S. The military and diplomatic postal systems are an extension of the U.S. domestic postal system with regard to postage rates, mail acceptance, handling, and transportation.

Most inbound and outbound international military and diplomatic mail arrives at the Chicago International Service Center (ISC) per a 2012 decision to consolidate these operations at this facility to provide better service at a lower cost. Prior to this decision, Postal Service plants on the East and West coasts of the U.S. had a larger role in these operations.

### Military and Diplomatic Mail Facts 2019

The Military Postal Service provides service in 76 countries.

Diplomatic mail service is provided in 95 countries.

There are 387 land-based and 283 onboard-ship military post offices.

There are 116 diplomatic post offices.

Source: U.S. Postal Service.

The Chicago International Military Service Center (CIMSC) section of the facility processes most of the outbound mail and sends inbound mail to other processing facilities.<sup>1</sup> Chicago ISC staff handle and process this mail, as well as other international and domestic mail. There are over 1,000 military ZIP Codes and 100 diplomatic zip codes sorted at the CIMSC. The Postal Service processed over [REDACTED] military and diplomatic mailpieces in fiscal year (FY) 2018.

The Postal Service, DoD, and DoS each have responsibilities related to handling and processing mail. For example, for outbound mail, the Postal Service generally handles the acceptance, transportation to the CIMSC, initial sortation and labelling, and tendering to the commercial transportation carrier (mostly air or surface). This mail is then transported to the foreign destination, where it is eventually handed over to DoD or DoS officials, who then handle subsequent sortation and delivery (see [Figure 1](#)). The Postal Service has policies for handling DoS mail and an agreement with the DoD that prescribes procedures, roles, and responsibilities related to moving DoD mail.<sup>2</sup>

Military and diplomatic mail operations fall under the Postal Service's Network Operations organization as well as the district and plant managers for each individual Postal Service facility that processes these types of mail. Postal Service staff coordinates with DoD and DoS staff, including those from the Military Postal Service Agency (MPSA); the Joint Military Postal Agency (JMPA); and from various diplomatic post offices, military post offices, Army or Air Force post offices, or Fleet post offices.<sup>3</sup>

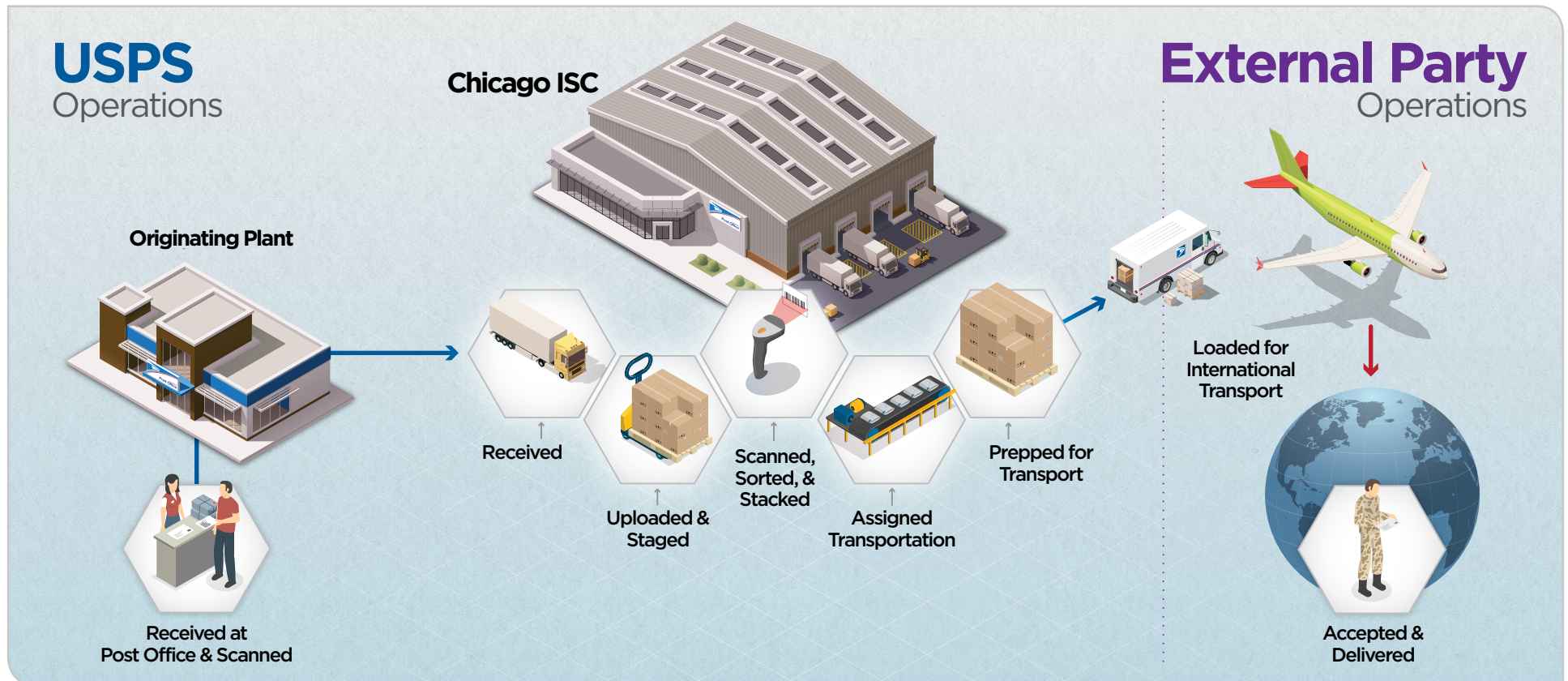
*“Most inbound and outbound international military and diplomatic mail arrives at the Chicago International Service Center.”*

1 Most of the military mail and all Priority and diplomatic mail is to be routed through the CIMSC. Other classes of military mail (such as Express Mail, Parcel Post, Periodicals, or First-Class Mail) can be processed at other Postal Service facilities including the San Francisco ISC, New Jersey International Network Distribution Center, Miami ISC, Los Angeles ISC, and Honolulu Processing and Distribution Center. Diplomatic mail generally follows the same processing operations as military mail, except that it has additional identification requirements.

2 Publication 38, *Postal Agreement with the Department of Defense*, February 1980.

3 The DoD's postal liaison agency that has overall responsibility for postal operations at military locations overseas (including items scanned as delivered when the customer states the item was not received). The JMPA acts on behalf of the MPSA with the Postal Service at the various Postal Service facilities that process military mail.

Figure 1: Typical Outbound Military and Diplomatic Mail Operations



Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service information.

The Postal Service has a wide range of delivery performance expectations for outbound military and diplomatic mail that can range from three days for Express Mail delivery to Europe to 30-45 days for delivery of other mail to the Far East. The timeliness of this mail depends on Postal Service acceptance and processing operations and the timeliness and effectiveness of other key parties including:

- The original sender (e.g., mailings with poor packaging or addressing may take additional time);
- The respective air, surface, or shipping carrier to the destinating country; and
- DoD, DoS, or Postal Service officials who are accepting and delivering this mail in the foreign country.

Due to these shared responsibilities, the Postal Service does not track service performance from origin to delivery like it does for domestic mail; instead, the Postal Service focuses on the measurable operations it considers to be under its control. The Postal Service’s ability to facilitate high-quality mail service is crucial to supporting military and diplomatic operations and upholding its brand and image.

Finding #1: Military and Diplomatic Mail Service

We did not identify any concerns with international inbound military and diplomatic mail service and found customers who were appreciative of the Postal Service’s role in providing military and diplomatic mail service (see sidebar for examples of customer appreciation postings to our blog).

We did, however, identify issues related to delayed and damaged mail for the outbound service — issues echoed by many military and diplomatic mail customers and stakeholders.

Delayed Mail

Military and diplomatic outbound mail was delayed in 2018 and 2019 (see sidebar for examples of customer delayed mail-related postings to our blog). These delays occurred while getting the mail to the CIMSC, when being accepted and processed at the CIMSC, and when being sent to the delivery destination. We noted:

- *Delays in getting this mail to the CIMSC:* Postal Service data for a 12-week period in 2019 showed that █ percent (█ of █ million pieces) of outbound military and diplomatic First-Class and Priority mailpieces were late arriving to the CIMSC from its originating unit compared to its operating target.

Figure 2 illustrates the Postal Service’s measurement of the operating target, which is the length of time it takes from a package being scanned at a post office to receiving an acceptance scan at the CIMSC. This target ranges from one to four days, depending on the originating geographic location.

“The Postal Service’s ability to facilitate high-quality mail service is crucial to supporting military and diplomatic operations and upholding its brand and image.”

Select Customer Views of Military and Diplomatic Mail Service

“I am very grateful to be able to receive mail through the U.S. Postal Service when I am serving overseas. The positive impact this service has on the quality of my life and that of my family cannot be over-emphasized.”

“We are very appreciative of the service the USPS provides.”

“I am so thankful for this service. For me, as a foreign service officer, this is one of the services that most connects me and my family with home.”

Source: USPS OIG Audit Asks blog.

Select Customer Views of Mail Delays

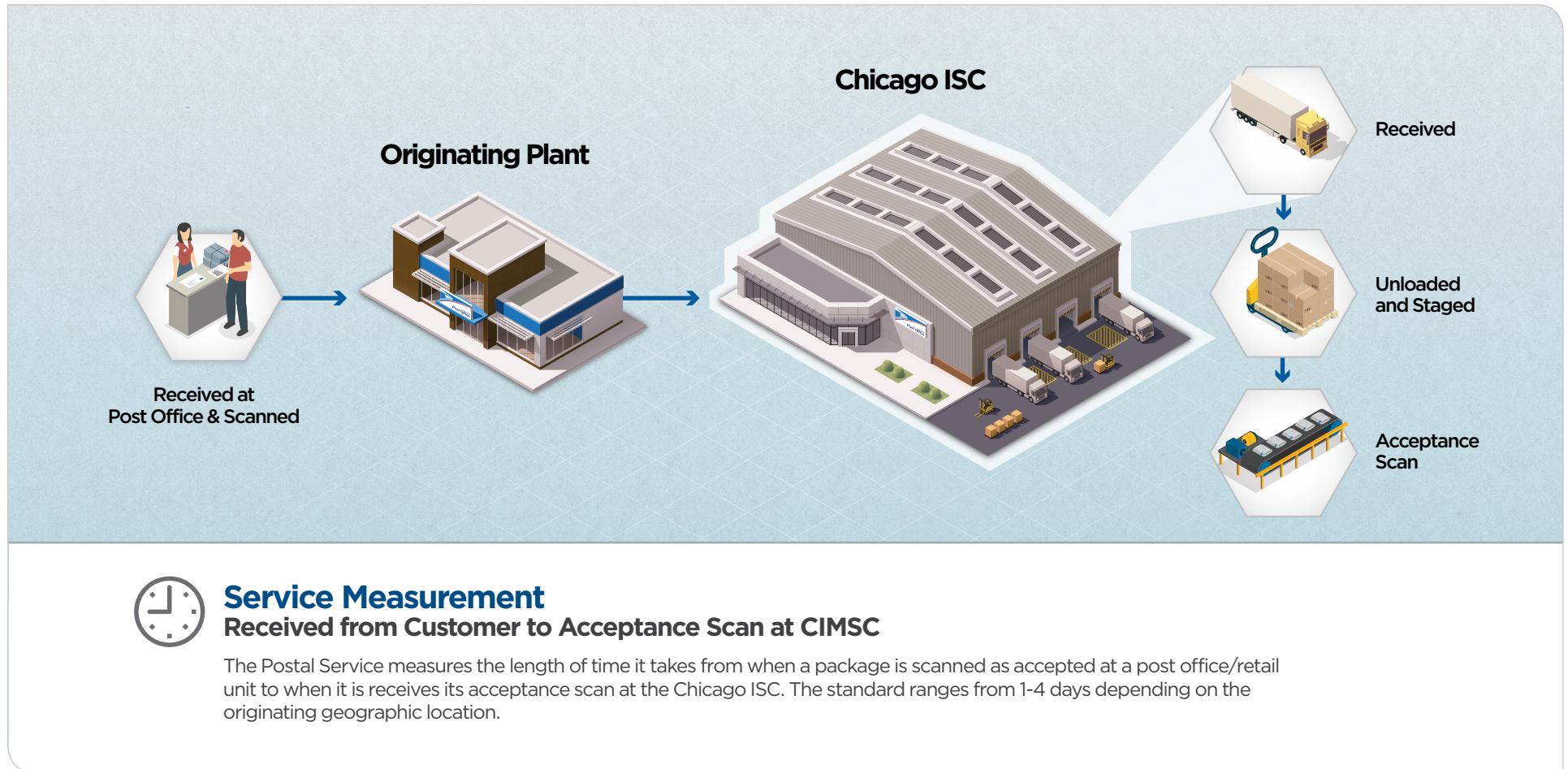
“The biggest frustration is when packages are miss-sent to the wrong APO/DPO (which happens fairly often).”

“Every month about 10% of my packages are routed incorrectly and takes more than a month to arrive...”

“Occasionally, packages are delayed because Chicago misroutes to the wrong zip code...”

Source: USPS OIG Audit Asks blog.

Figure 2. Postal Service Measurement of Getting Mail to the CIMSC



Source: OIG analysis of Postal Service information.

Most of these delays were one day (■ percent) and ■ percent were late five days or more (see [Table 1](#)).

**Table 1. Outbound Military Mail – Delays in Arriving at the CIMSC (12-week period from September 29-December 21, 2018)**

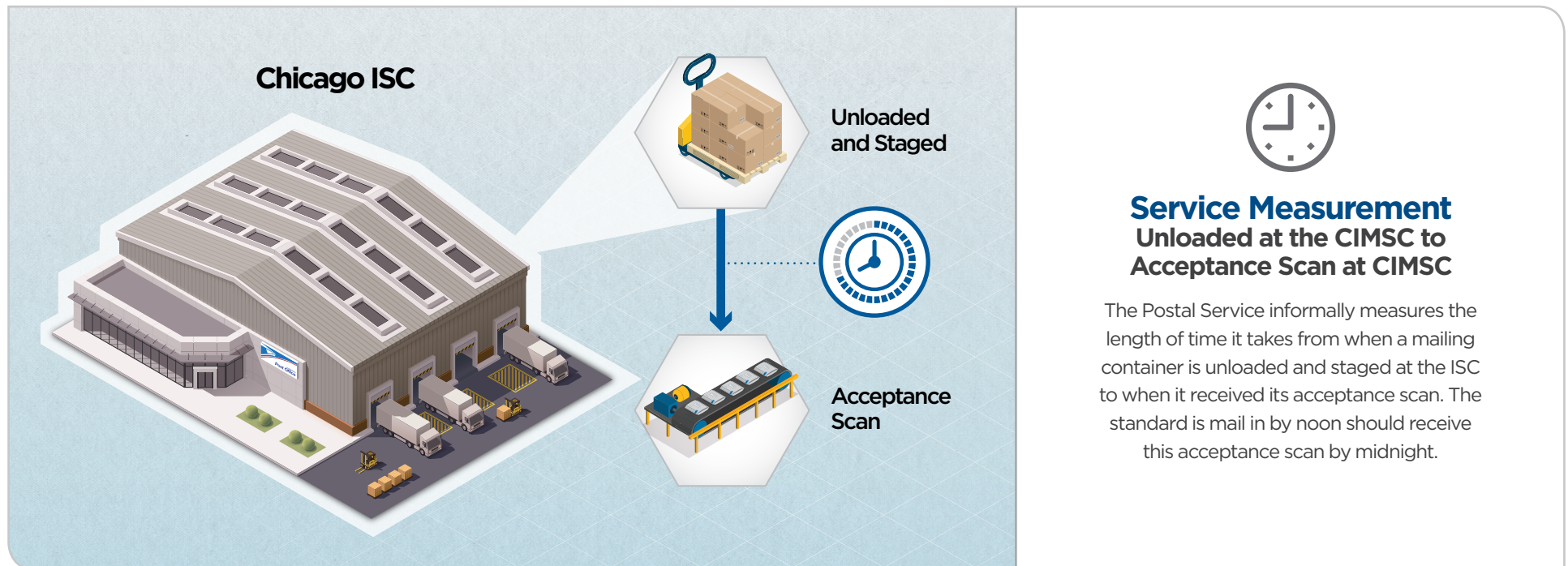
Delays	Pieces	Percentage of Delayed Pieces
1 day	██████	██
2 day	██████	██
3 day	██████	██
4 day	██████	██
5 or more days	██████	██
<b>Total</b>	██████	██████

Source: OIG analysis of Postal Service data from Military Outgoing Performance Weekly Reports from the Service and Field Operations Performance Measurement system – Weeks 1-12, FY 2019.

The delays were due to management’s decisions at the originating processing facilities to defer this mail for other domestic mail, hold it until containers were full, or other operational issues (such as air or surface transportation delays).

- *Delays during acceptance operations at the CIMSC:* Postal Service data showed ████████ delayed mailings during acceptance operations at the CIMSC in 2018 — the time between mail arriving at the CIMSC and being scanned as accepted at the CIMSC. The Postal Service and DoD manually measure this segment based on their observations as illustrated in Figure 3.<sup>4</sup>

**Figure 3. Postal Service Measurement of Acceptance Operations at the CIMSC**



Source: OIG analysis of Postal Service information.

<sup>4</sup> DoD staff consider this standard to also include that mailings should be processed and assigned transportation by midnight.

When a mail container is unloaded on the docks at the CIMSC, a placard is affixed indicating the offload date, with the standard message being “containers of mail that arrive by noon should be scanned as accepted (e.g., “out”) by midnight”. The Postal Service and DoD have different methodologies for tracking how these operations performed against this timeliness standard — with Postal Service staff estimating [REDACTED] delayed pieces and DoD staff estimating [REDACTED] delayed pieces in FY 2018 (up [REDACTED] percent from the prior year). Regardless of the difference in these methodologies, both groups acknowledged delays during these operations and we similarly observed these delays during our visits.

Postal Service staff attribute these delays, most of which were one day, to emphasis on other priorities, limited staff, or unavailable equipment. The staff noted the Postal Service has sufficient capacity at the CIMSC to handle the ever-changing military and diplomatic mail volumes. Further, additional capacity may become available to handle additional military and diplomatic growth as the Postal Service’s uncertain role in the Universal Postal Union has negatively impacted current and projected volumes of other international mail that would be processed at the CIMSC.

- *Delays in processing at the CIMSC:* DoD and DoS officials raised concerns about delays in processing mail at the CIMSC between the mail being scanned as accepted at the CIMSC and being assigned to outbound transportation for its destination.
- *Delays from sending mail to the wrong delivery destination:* DoD data showed over [REDACTED] parcels [REDACTED] percent of military mail) were sent to the wrong country in 2018. These sacks subsequently had to be rerouted to the correct

destination. DoD and DoS officials noted they incurred additional costs for correctly re-routing these mailings, some of which could have been delayed by upwards of 35 days or more. DoD typically handles processing and transporting of these misrouted mailpieces to the correct country; however, if transportation is unavailable, this mail must return to the CIMSC before being re-routed to the correct destination country. All misrouted DoS sacks must return to the CIMSC before being re-routed to the correct destination country.

Postal Service management attributed these errors to staff manually mislabeling mail sacks or incorrectly assigning transportation, failed sortations, or other operational issues.

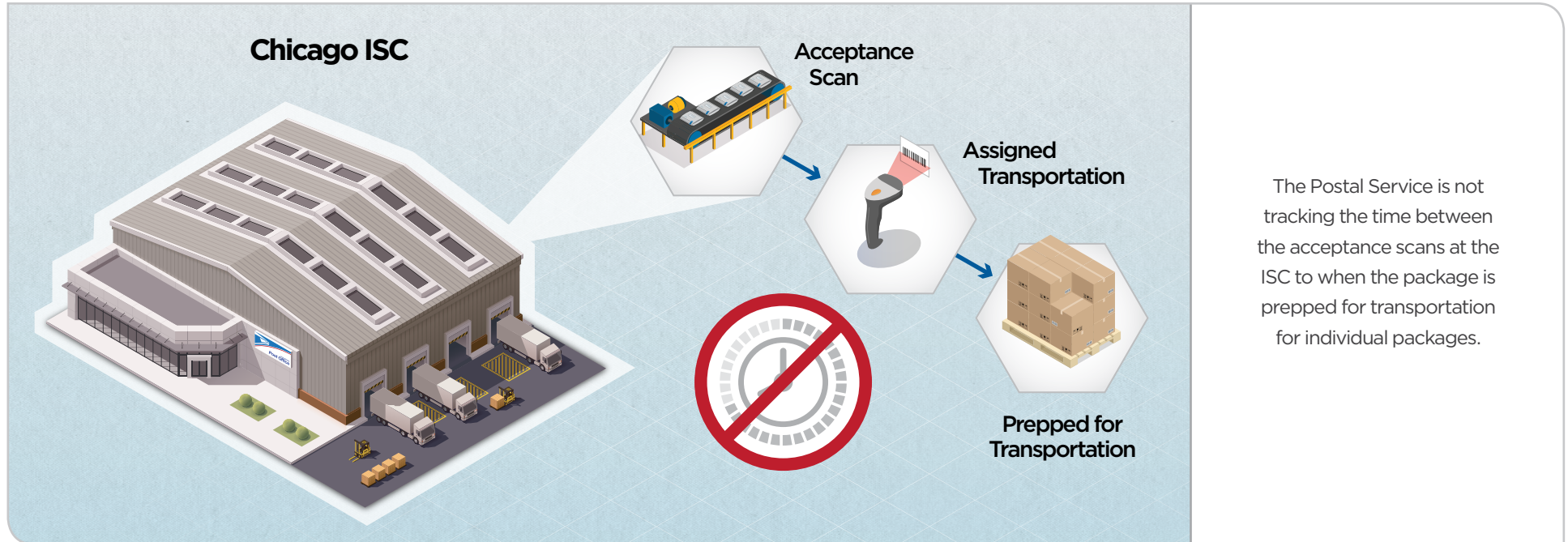
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***“Delayed mail issues were collectively caused by ineffective oversight of operations at the facility level and exacerbated by limited performance measurement.”***

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These delayed mail issues were collectively caused by ineffective oversight of operations at the facility level (particularly at the CIMSC) and exacerbated by limited performance measurement. More specifically, the Postal Service does not measure the operational time between when military and diplomatic mailings are scanned as accepted at the CIMSC and when they mailings are assigned outbound transportation and prepped for departure (see [Figure 4](#)).

**Figure 4. Postal Service Measurement of Acceptance Operations at the CIMSC**



Source: OIG analysis of Postal Service information.

The Postal Service is unable to measure these activities because they do not scan individual pieces to larger containers — a practice known as nesting. The lack of scanning and measurement for these key processing activities results in the Postal Service not completely knowing how long it takes to process these mailings and to what extent these operations contribute to delays.

### Damaged Mail

DoD estimated there were over [REDACTED] damaged mailpieces in 2018. DoD and DoS managers and customers voiced key concerns about damaged mail (see sidebar for an example of related customer postings to our blog).<sup>5</sup> Damaged mail could have occurred for a variety of reasons including the following:

- **Insufficient culling:** Postal Service staff did not preemptively separate (cull) larger, oversized mailings and process them manually, as required. We noted heavy mailings that were processed on Postal Service equipment but should have been processed manually due to size restrictions.
- **Equipment shortcomings:** We observed that equipment used to process military and diplomatic mail may involve drops as high as 8 feet, which may lead to broken and damaged parcels. For example, we observed a large foot locker fall about 8 feet onto some smaller parcels while being processed on the Central Dispatch Unit (CDU) machine at the CIMSC (see Figure 5).

### Select Customer Views of Damaged Mail Issues

*"In the almost 10 years I've used DPO or APO mail, these last two years seem to have been the worst in terms of damaged mail."*

*"Unfortunately, the condition with which they arrive is often terrible. Boxes are often smashed, imploded, or ripped open and resealed with tape somewhere along the line."*

*"...packages usually arrive quite damaged."*

Source: USPS OIG Audit Asks blog.

<sup>5</sup> Of the 202 respondents to our blog posting, over half (58 percent) voiced concerns with damaged mail.

**Figure 5. Photograph of CDU Operations (about 8-foot drop)**



Source: OIG photograph of CDU operations at the CIMSC.

The overarching causes of these damaged parcels were limited Postal Service oversight of these operations at the facility level (the CIMSC). Postal Service managers should be ensuring that culling is performed and that equipment shortcomings are mitigated.

Damaged mail negatively impacts the Postal Service and its customers. When damaged mail is identified at the CIMSC, the Postal Service often takes additional time to repackage them. Further, customers would be dissatisfied at receiving broken or destroyed mailings. The extent to which limited oversight contributes to damaged mail negatively impacts the quality of this service to military and diplomatic members and families and puts the Postal Service's brand and image at risk.

#### **Recommendation #1**

We recommend the **Vice President, Great Lakes Area**, periodically evaluate operations to provide effective management oversight of the timeliness of military and diplomatic mail to reduce delays in mail arriving to and processing within the CIMSC, as well as ensuring proper labelling of this mail.

#### **Recommendation #2**

We recommend the **Vice President, Network Operations**, evaluate a process for scanning individual pieces to larger containers and a method for using this scan data to measure the time between military and diplomatic mail being scanned as accepted and the mailings being assigned outbound transportation and prepared for departure.

#### **Recommendation #3**

We recommend the **Vice President, Great Lakes Area**, periodically evaluate operations to provide effective oversight of the processing of military and diplomatic mail to reduce damaged mail, which could include ensuring proper culling and modifying equipment.

### **Finding #2: Military and Diplomatic Mail Operating Plan**

We found key administrative documents related to military and diplomatic mail operations were outdated and limited:

- *Publication 38*: Postal Service and DoD roles and responsibilities are outlined in this publication, which has not been updated since February 1980. While the parties have been working for years to update this publication to reflect current operations, divergent positions on certain facets have hindered completion.
- *Operating plan*: The Postal Service's operating plan for handling mail at the CIMSC is limited in that it only lists various processing times — it does not include other key operational information that would be useful to DoD and DoS stakeholders, such as staffing expectations and workload priority, which should be included in such a plan.

These issues have negatively impacted the mail service received by military and diplomatic mail customers and have pushed related financial and customer service burdens onto the Postal Service, DoD, and DoS.

#### Recommendation #4

We recommend the **Vice President, Network Operations**, work with military stakeholders to update Publication 38, *Postal Agreement with the Department of Defense*, and with military and diplomatic stakeholders to update the operating plan related to military and diplomatic mail at the Chicago International Military Service Center.

### Management's Comments

Management raised concerns with how information was presented and used in the findings, but agreed with our recommendations. Regarding the information in the report, management raised concerns that we attributed delays in getting mail to the CIMSC to “management decisions at the originating processing facilities”, alleging this statement was speculative and not supported by evidence. Management stated that military and diplomatic mail is moved in the same manner as domestic mail into the CIMSC.

Management also questioned our use of Postal Service Plan Failure data to illustrate delays during acceptance operations, stating that our depiction of this information creates a misrepresentation of delayed mail conditions as mail that is categorized as Plan Failures does not automatically equate to delayed or late mail—it represents mail that was not processed by the posted clearance time.

Management also stated that our report lacked evidence regarding our use of DoD data on missent mailings and that we attributed missent mail issues to “staff errors” and questioned our estimate of the 8-foot drop on sorting equipment. Management also raised issue about the lack of a source regarding the DoD data on the over [REDACTED] damaged parcels in 2018. Lastly, management stated the report did not acknowledge the tripartite agreement for diplomatic mail in 2011, nor the most recent efforts to update Publication 38.

Regarding recommendation 1, management stated that a daily checklist was completed to ensure mail is unloaded timely and staged accordingly, and

that these checklists are reviewed by in-plant support staff for accuracy and completion. Management also stated that operations and in-plant support are conducting daily quality validation checks on Enhanced Distribution Labels. These actions were completed July 12, 2019.

Regarding recommendation 2, management stated they began a pilot to nest mail starting in late June, and that they are evaluating the additional time, cost, efficiency, and value added to ensure the additional visibility is cost effective. Supporting software upgrades and machine modifications are also scheduled for August 2019. The target implementation date for the decision to proceed with a permanent solution is October 30, 2019.

Regarding recommendation 3, management stated they have reinforced signage and proper measurement aids to help prevent non-machinable items from reaching key stations, and that local management will continue to monitor these operations. These actions were completed July 12, 2019.

Regarding recommendation 4, management stated they have been working with the DoD on replacement text. The target implementation date is April 1, 2020.

See [Appendix B](#) for management's comments in their entirety.

### Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report.

Regarding management's comments about how information was used and presented in the report, management first questioned the evidence and “speculative” nature of our finding that “management decisions at the originating processing facilities” were causing delays in getting mail to the CIMSC. We collected this information from interviews with Postal Service military mail managers at multiple facilities and consider this information appropriate and sufficiently reliable to support the statements in our report.

Regarding management questioning the use of Postal Service Plan Failure data to illustrate delays, we consider this calculation and depiction to be appropriate, as it indicates the number of packages that did not meet the Postal Service's

acceptance operations timeliness standard. Furthermore, while management stated these failures did not automatically equate to delayed or late mail, it offered no supporting data or analysis to prove otherwise.

Regarding management's statements pertaining to missent mail issues, DoD tracked this information as part of its monitoring of Postal Service military mail service performance. We reviewed DoD's methodology for capturing this data and interviewed DoD officials. We attributed this data to DoD and found it sufficiently reliable for our review. We also consider our position on the "staff errors" as appropriate and sufficient as we collected this information from interviews with military mail managers and staff at the CIMSC.

Management raised other concerns related to our 8-foot drop estimate on sorting equipment and our linkage to broken and damaged mail and highlighted their culling operations. We observed this equipment and operations during multiple visits to the CIMSC and included a photograph of the height in our report. As noted in our report, this was a significant drop which we discussed with DoD, DoS, and Postal Service officials. Our estimation included not only the 6-foot height of the container and the 2 inches of space above the container as mentioned by management in their comments, but also the roughly 2-foot height of the slide (as shown in our photograph). We modified our report to reflect this collective estimation, and still consider our summarization of these operations and related impact to be reasonable and accurate. The corrective actions taken by the Postal Service addressed the intent of our recommendation.

Regarding management questioning the source information for DoD's estimate of over [REDACTED] damaged mailpieces in 2018, DoD tracked this information as part of its monitoring of Postal Service military mail service performance. We reviewed DoD's methodology for capturing this data and interviewed DoD officials. We attributed this data to DoD and found it sufficiently reliable for our review.

Management's concern related to the lack of acknowledgement of a 2011 diplomatic mail agreement was not raised during the project and thus was not included. We did acknowledge recent efforts to update Publication 38 in the report, and still believe that updates to the operating plan for military and diplomatic mail are warranted.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Based on management's implementation of corrective action for recommendations 1 and 3, we consider them closed with the issuance of this report. Recommendations 2 and 4 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

# Appendices

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# Appendix A: Additional Information

## Scope and Methodology

Our objective was to assess military and diplomatic mail service provided by the Postal Service. Our audit scope was FY 2018 to present. To accomplish our objective we:

- Reviewed Postal Service policies, procedures, roles, and responsibilities related to domestic and international military and diplomatic mail operations.
- Collected and reviewed Postal Service, DoD, and DoS service-related information for international military and diplomatic mail, including tracking mechanisms, methodologies, targets, standards, and performance.
- Reviewed data from DoD and the Postal Service on military and diplomatic mail performance. We specifically collected and analyzed information over a 12-week period from September 29 to December 21, 2018, from the Military Outgoing Performance Weekly Reports from the Postal Service's Service and Field Operations Performance Measurement system.
- Visited the Chicago and San Francisco ISCs to observe military mail operations and interview Postal Service, DoD, and DoS officials.
- Interviewed Postal Service military mail managers.
- Visited MPSA headquarters to discuss military mail operations and service performance.

- Created an Audit Asks blog page to capture DoD and DoS customer views of military and diplomatic mail service. We received 202 postings to the blog, which included a great appreciation for military and diplomatic mail service, but also included a wide arrange of issues including delayed, damaged, and missing mail issues. We categorized these postings.

We conducted this performance audit from November 2018 through July 2019 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on June 21, 2019, and included their comments where appropriate.

We assessed the reliability of the computer-generated data we collected from the Postal Service's Service and Field Operations Performance Measurement system and Mail Condition Reporting System by reviewing the data for errors and discussing potential issues with Postal Service officials. We found the data sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit within the last five years.

# Appendix B: Management's Comments



July 22, 2019

LAZERICK C. POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Military and Diplomatic Mail Service  
(Report Number MS-AR-19-DRAFT)

Thank you for providing the Postal Service with the opportunity to review and comment on the subject draft management alert report. We appreciate the engagement of the Office of the Inspector General (OIG) with us, as well as the opportunity to review and comment on the provided recommendations.

Before discussing the draft audit report's recommendation, we wish to highlight some concerns we have with the information used to inform this report and how it is being presented.

The draft report highlights delays in getting mail to the Chicago International and Military Service Center (CIMSC) and attributes these delays to "management decisions at the originating processing facilities". The statement is speculative, and no evidence is provided to support this claim. The network moves all mail according to the operating plan, given each day's mail volume. All Department of Defense (DoD) and Department of State (DoS) mail is moved in the same manner as domestic mail into the CIMSC.

The draft report also highlights delays during acceptance operations at the CIMSC, and quotes figures such as "Postal Service data showed [REDACTED] delayed mailings in 2018 at the CIMSC during acceptance operations". In fact, the [REDACTED] "delayed" was actually volume categorized as Plan Failure in the Mail Condition Reporting System, which is routinely audited by the OIG and found to be sufficient. Plan Failure represents mail that has arrived by the established critical entry time but which has not been processed by the posted clearance time, which does not automatically equate to delayed or late mail; consequently, the OIG's observation creates a misrepresentation of delayed mail conditions.

The draft report highlights delays from sending the mail to the wrong delivery destination and specifies that "data showed over [REDACTED] parcels ([REDACTED] percent of total military mail) were sent to the wrong country in 2018 due to Postal Service staff errors made when labeling mail sacks". The OIG should substantiate its conclusions, or omit the statement as it is speculative. There is no provided evidence to attribute the root cause to "staff errors" nor is the DoD-provided data supported by USPS data.

The draft report alleges that the sorting equipment used to process military and diplomatic mail allows mail to drop from "as high as 8 feet, which may lead to broken and damaged parcels". To clarify the operational process, an Over The Road (OTR) container is 70" tall. The space between the OTR and slide is 2". The drop is not 8 feet, it is actually 6' 2". Additionally, this distance shrinks as the container fills. Heavy items are culled out at induction to minimize potential risk. There is also no evidence offered to support the claim that the height of the drop is the cause of broken and damaged parcels.

The draft report also "estimates" that there were over [REDACTED] damaged parcels in 2018. However, the report does not identify a data source for this figure; instead, it proceeds to speculate as to the root causes, but without data to support the claims made.

The draft report references work done to update Publication 38 but does not acknowledge the tripartite agreement for diplomatic mail that was signed in 2011, which addresses DoS mail, nor the most recent efforts that have gone into resolving the "divergent positions" and moving towards publication of an updated document.

**Recommendation #1:**

We recommend the Vice President, Great Lakes Area, periodically evaluate operations to provide effective management oversight of the timeliness of military and diplomatic mail to reduce delays in mail arriving to and processing within the CIMSC, as well as ensuring proper labelling of this mail.

**Management Response/Action Plan 1:**

Management agrees with this recommendation. CIMSC has implemented a process where expeditors and dock supervisors are meeting trips to ensure mail is unloaded timely/staged accordingly for processing as part of the completion of a daily checklist. In-plant support reviews the completed checklists daily for accuracy and completion. Enhanced Distribution Labels are validated through quality checks by both operations and in-plant support on a daily basis.

USPS requests this recommendation be closed upon issuance.

**Target Implementation Date:**

Completed July 12, 2019

**Responsible Officials:**

Plant Manager, CIMSC

**Recommendation #2:**

We recommend the Vice President, Network Operations, evaluate a process for scanning individual pieces to larger containers and for using this scan data to measure the time between military and diplomatic mail being scanned as accepted and being assigned outbound transportation and prepared for departure.

**Management Response/Action Plan 2:**

Management agrees with this recommendation. USPS is conducting a pilot to 'nest' mail on the Automated Package and Parcel Sorter (APPS). The pilot began in late June and will continue through July. USPS is evaluating the additional time, cost, efficiency and value added to ensure the additional visibility is cost effective. A software update and machine modification are scheduled to take place in August 2019. The pilot will resume after upgrade. After further evaluation, a decision to proceed with a permanent solution will be decided in late October 2019.

**Target Implementation Date:**

October 30, 2019

**Responsible Officials:**

Executive Director, International Operations

**Recommendation #3:**

We recommend the Vice President, Great Lakes Area, periodically evaluate operations to provide effective oversight of the processing of military and diplomatic mail to reduce damaged mail, which could include ensuring proper culling and modifying equipment.

**Management Response/Action Plan 3:**

Management agrees with this recommendation. Signage and proper measurement aids have been reinforced to help prevent non-machineable items (as described in the standard work instructions and machine specifications) from reaching the key stations. Local management will continue to monitor.

USPS requests this recommendation be closed upon issuance.

**Target Implementation Date:**

Completed July 12, 2019

**Responsible Officials:**

Plant Manager, CIMSC

**Recommendation #4:**

We recommend the Vice President, Network Operations, work with military stakeholders to update Publication 38, *Postal Agreement with the Department of Defense*, and with military and diplomatic stakeholders to update the operating plan related to military and diplomatic mail at the Chicago International Military Service Center.

**Management Response/Action Plan #4:**

Management agrees with this recommendation. USPS has been working with the Department of Defense (DoD) to conclude negotiations on a replacement text. Multiple iterations have been shared with the DoD. After internal review and concurrence, the document will be shared with the DoD for final review and signatures.

**Target Implementation Date:**

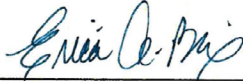
April 1, 2020

**Responsible Officials:**

Executive Director, International Operations



Robert Cintron  
Vice President, Network Operations



Erica Brix  
Vice President, Great Lakes Area

cc: Manager, Corporate Audit & Response Management



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