July 27, 1999

DEBORAH K. WILLHITE
SENIOR VICE PRESIDENT, GOVERNMENT RELATIONS

AZEEZALY S. JAFFER
MANAGER STAMP SERVICES

SUBJECT: Review of the Operations of the Citizens' Stamp Advisory Committee - Management Advisory Report RG-MA-99-005

Consistent with our previous efforts to provide proactive feedback to United States Postal Service (USPS) management, we performed a review of the operations of the Citizens' Stamp Advisory Committee (the Committee). The Committee provides technical advice and assistance to Stamp Services management on stamp subjects and designs. Our review disclosed two issues which, when addressed by Stamp Services' management, should strengthen the Committee's operations. This management advisory report summarizes our observations related to these issues and offers several suggestions to improve the overall efficiency of the Committee's actions.

Results in Brief

Stamp Services management effectively coordinates the overall operations of the Committee, which is responsible for evaluating the merits of all stamps proposals and selecting subjects that are both interesting and educational. The Committee itself employs no staff but consists of members who volunteer their time and expertise to assist the Postal Service.

Based on our observations at two recent meetings, we noted that some improvements could be made to enhance the cohesiveness of the Committee's efforts and to encourage the collaboration between the Stamp Services management and the Committee's members. Specifically, we noted that Stamp Services management should maintain additional documentation of the Committee's operating decisions in

order to assure greater consistency and should fill several vacancies on the Committee.

Background

Stamp subjects typically originate with the general public, who submit thousands of stamp proposals every year. In 1957, an independent Committee was established to provide the Postal Service with a breadth of judgement and depth of experience in various matters that influence the subject matter, character, and beauty of postage stamps. In developing a rewarding and historically significant stamp program, the Committee examines the proposals and selects the most promising ideas. The Committee recommends the most interesting and educational ideas to the Postmaster General, who ultimately decides which stamps will be printed.

The Committee recommends about 25-40 new commemorative stamp subjects each year, along with numerous ideas for definitive (regular) stamps. The Committee recommends stamp subjects that have the strongest appeal, that reflect public sentiment, and have the greatest historical significance. When recommending subjects, the Committee considers the views of the Postal Service and stamp collectors, as well as the general public. The Committee has published 12 "Stamp Subject Selection Criteria" to help determine subject selection.

In order to allow sufficient advance time to evaluate the proposal, design, and print the approved stamps, new stamps are usually recommended about 2-3 years before the proposed date of issuance. The Committee members review and provide guidance on the merits of the proposal. They also develop and refine the design and artwork of the stamps, for both commemorative and definitive stamps.

The Committee operates according to established bylaws and Committee members are appointed by the Postmaster General. Currently, there are 12 volunteer Committee members, separated into the Subject and Design Subcommittees, who collectively have a wide range of educational, artistic, historical, and professional expertise. The Committee meets on a quarterly basis and members are eligible for travel reimbursement. Committee meetings are restricted to key representatives of Stamp Services, and their supporting art and research consultants.

Objective, Scope, and Methodology

The overall objective of our review was to examine how new stamp proposals are evaluated and whether Committee policy decisions are documented. Specifically, we observed the interaction of the Committee members, Postal Service staff and consultants. We noted the types of issues discussed in order to gain an understanding of the processes and procedures used to recommend subjects and designs for the stamps issued by the USPS.

Our review was conducted between October 1998 through May 1999 in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Inspections*. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Observations

In October 1998 and January 1999, OIG was invited to attend two Committee meetings, including the concurrent meetings of the individual Subject and Design Subcommittees. Based upon observations while attending two meetings and a review of documentation of the Committee's operations, we identified two improvements that need to be made to improve the effectiveness of the current operations of the Committee. Specifically, Stamp Services management should maintain more comprehensive documentation of the Committee's decisions and operating policies, and should increase the number of existing Committee members.

Past Decisions of the Committee

Confidential minutes of each of the Committee's meetings are maintained, which summarize the individual stamp proposals discussed and their current status. However, strategic policy decisions arrived at by the Committee were not being recorded. We noted that some disagreements occurred at both meetings we attended when Committee members attempted to recall past policy decisions, some of which had occurred several years earlier. The absence of written documentation, coupled with normal turnover of Committee members, increases the risk of unnecessary frustration, inconsistent decisions, and subsequent criticism of the Committee's actions.

During the meetings we attended, Committee members and Postal Service management officials present at the meetings tried to recall past events and decisions without benefit of any written documentation. Although these

officials usually agreed, their individual interpretation of past decisions sometimes differed which sparked debate as to what had previously been decided. This, in turn, interrupted the current decision-making process. In addition, as Committee members leave and new members are added, historical knowledge of the stamp program and past policy decisions will be lost if the decision information is not systematically saved.

Significant issues that were impacted by previous policy decisions include the following:

- Holiday Commemoratives – The policy specifying how these special commemoratives are authorized.

- Recognition of Specific Interests, Sub-Groups and Units – The policy for not recognizing certain specific sub-groups and categories, and the rationale for past deviations from this policy.

- Availability – The policy on permanent stamp availability or issuance only one time a year; and regional and nationwide stamp distribution.

- Rate Change – The policy concerning stamps that were originally issued at the old rate and which ones will be reissued at the new rate.

- Art Commemoratives – The policy on the use of works of art or sculpture in public museums and private collections.

By recording these policy decisions as they are occur, management will ensure that future decisions are consistently made with existing policies. In addition, this information will provide a basis for uniform decisions from year to year and any time new members are added.

Stamp Services officials advised that they were currently developing an automated stamp profile database that will capture historical data about the design and issuance of future commemorative stamps. This system will likely include stamp information such as:

- the working title and history of the proposed stamp;
- its' major proponents;

- the assigned art director, artist and creative team;
- a brief narrative explaining the stamp design and subject; and
- planned and related stamp events.

However, this system is primarily intended for internal Postal Service and Committee use and it is geared towards providing information on specific stamps, rather than on strategic policy decisions.

Vacancies on the Committee

Currently, there are 12 Citizens' Stamp Advisory Committee members: 7 who serve on the Subject and 5 on the Design Subcommittees. The Committee is authorized a total of 15 members and has had several vacancies since April 1998.

The present membership of the Committee reflects a diverse array of backgrounds and life experiences including academia, arts, history, media, sports, engineering, computers, philatelic, teaching, and business executives. The Committee includes three women and one minority member. Several members have served on the Committee for over 20 years, which provides historical perspective and it is indicative of their belief in the valuable contribution that the Committee makes.

Stamp Services management carefully considers prospective members for recommendation to the Postmaster General to assure that they compliment the efforts of the existing members and are able to devote sufficient time to the Committee's work. After observing the efforts of the present members at two recent meetings, we suggest that the current vacancies be filled as soon as possible. Adding new members would:

- help alleviate the workload burden on all of the members, particularly on the Design Subcommittee, which has been responsible for designing over 100 stamps in recent years;
- permit additional time to be spent on evaluating and reviewing proposed designs and subjects; and
- assure that as eventual turnover occurs, historical knowledge is not lost.

Total membership of the Committee should be increased by adding individuals with unique occupational backgrounds and specialized experiences in fields such as financial,

manufacturing, philanthropic, aeronautical, or botanical. These categories have been the subject of recent successful stamps. New members would also inspire design and development of new stamps.

Suggestions

We offer the following suggestions to the Senior Vice President, Government Relations and the Manager of Stamp Services:

1. Develop and implement a system of recording strategic stamp policy decisions, in a permanent, readily useable format, to ensure that decisions are consistently made.

2. Increase the present Citizens' Stamp Advisory Committee membership by recommending to the Postmaster General individuals with unique occupational backgrounds.

Management Response

We have summarized management's response to our suggestions and included the full text of their comments in the Appendix.

Regarding the first suggestion, USPS's management stated that minutes of the meetings are recorded and maintained. In addition, management stated that although they refer to the minutes to clarify any issues, subjects, or policies, which may be confusing, they can not mandate the Committee's policy on a given subject nor can they mandate their wishes to change, revise, or rescind a policy or position.

Evaluation of Management Response

To clarify management's position on this suggestion, we spoke with Stamp Services management on July 13, 1999. Management confirmed the need to develop and implement a system for recording "Committee's Positions/Decisions" and to maintain the information in a readily useable format. Beginning with the October 1999 Citizen's Stamp Advisory Committee meeting, the "Meetings Book" prepared in advance for the meetings will contain a permanent section on the "Committee's Positions/Decisions." Based upon our discussion and their written response, management's comments are responsive to our suggestions.

Management Response	Regarding the second suggestion, management agreed to fill existing vacancies in the Citizen's Stamp Advisory Committee and are continuing to recruit qualified individuals that can meet the demands of the Committee and reflect America's culture and diversity.
Evaluation of Management Response	Management's comments are responsive to our suggestions. We would appreciate if you would continue to advise us of your efforts to fill the vacancies in the Committee. We appreciated the cooperation and courtesies provided by your staff during the review. If you have any questions, please contact [redacted], or me at (703) 248-2300.

//Signed//
Sylvia L. Owens
Assistant Inspector General
for Revenue Cost Containment

Attachment

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Major Contributors to this Report

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AZEEZALY S. JAFFER
MANAGER, STAMP SERVICES

UNITED STATES POSTAL SERVICE

July 12, 1999

SYLVIA L. OWENS

SUBJECT: Transmittal of Draft Management Advisory Report – Review of the Operations of the Citizens' Stamp Advisory Committee Review (RG-MA-99-Draft)

This letter responds to the issues outlined in the subject review.

- We agree with the recommendation that additional members be appointed to fill Citizens' Stamp Advisory Committee (CSAC) vacancies. Further, we will ensure that the membership reflects America's cultural and ethnic diversity. We have been and continue to interview and recruit individuals who are committed to and can meet the demands of the Committee.

- Apparently, a conclusion was drawn regarding the documentation of minutes based on discussions and issues that spark debate during the meetings. Please be assured that the minutes are not only recorded and maintained, but there are several opportunities for discussions about the items recorded in the minutes among the members and key postal staff.

  Even with the best intentions, you will find selective memories about various issues. We refer to the minutes to clarify any issues, subjects or policies which may be confusing. We cannot mandate the Committee's policy on a given subject nor can we mandate their wish to change, revise, or rescind a policy or position.

- Finally, we must ensure the Committee deliberations, opinions, and its membership are confidential. Therefore, it is critical not to release this type of information on the website. Also, we are protected from releasing Committee deliberations to the public under the Freedom of Information Act. Any release of information relative to CSAC must be coordinated through the Office of Stamp Development.

cc: Ms. Willhite
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