



# CELEBRATING 25 YEARS



## SEMIANNUAL REPORT TO CONGRESS

SPRING 2022 • OCTOBER 1, 2021 — MARCH 31, 2022

# MESSAGE FROM THE INSPECTOR GENERAL



The past six months have certainly been eventful. The end of the last fiscal year marked our 25th anniversary of being the U.S. Postal Service's Office of Inspector General (OIG). And this March marked another important event — the passing of the Postal Service Reform Act of 2022. This legislation broadens our role to include being the OIG of the Postal Regulatory Commission (PRC).

I know we are ready to face the challenges and opportunities this new role will bring. I am so proud of our team for its continued willingness and enthusiasm for change, as we continue to evolve and look for better ways to fulfill our mission. For example, we have recently put all our postal facility-related work under one audit team umbrella. This new group will do quick-hit audits on geographic clusters, allowing us to provide a more comprehensive look at mail processing and delivery issues across the country.

Over the past six months, our work has been both timely and critical. In response to congressional concerns about mail delivery delays in several Baltimore delivery units, we performed audits on those facilities, as well as on the processing plant that feeds mail to them. We also issued two reports — one audit and one white paper — on the Postal Service's use of electric vehicles. The audit focused on the contracting clauses with the current supplier, and the white paper looked at the opportunities and challenges of the Postal Service incorporating electric vehicles into its fleet.

Our investigations team continued to play an important role in keeping the mail safe as well as returning money to the Postal Service. For

example, our investigations team worked on a pharmacy kickback scheme, which involved clinics that were paid to send compound pain medications to a specific pharmacy, with formulas solely designed to achieve maximum payment from the workers' compensation program. This investigation resulted in a \$20.5 million cost avoidance to the Postal Service. Another case involved a married couple submitting fraudulent indemnity claims to the Postal Service. The combined restitution was \$79,455.

This report, submitted pursuant to the Inspector General Act, outlines our work and activities for the six-month period ending March 31, 2022. During this period, we issued 51 audit reports, management advisories, and white papers, and the Postal Service accepted 88 percent of our recommendations. We completed 1,473 investigations that led to 448 arrests and more than \$113 million in fines, restitutions, and recoveries, more than \$14 million of which was returned to the Postal Service.

Looking forward, we will continue to provide essential oversight of the Postal Service as well as evolve into our new role of becoming OIG of the Postal Regulatory Commission. I am so proud of the work our organization has done over the past six months, and I look forward to the changes that await us.

A handwritten signature in black ink that reads "Tammie White". The signature is written in a cursive, flowing style.



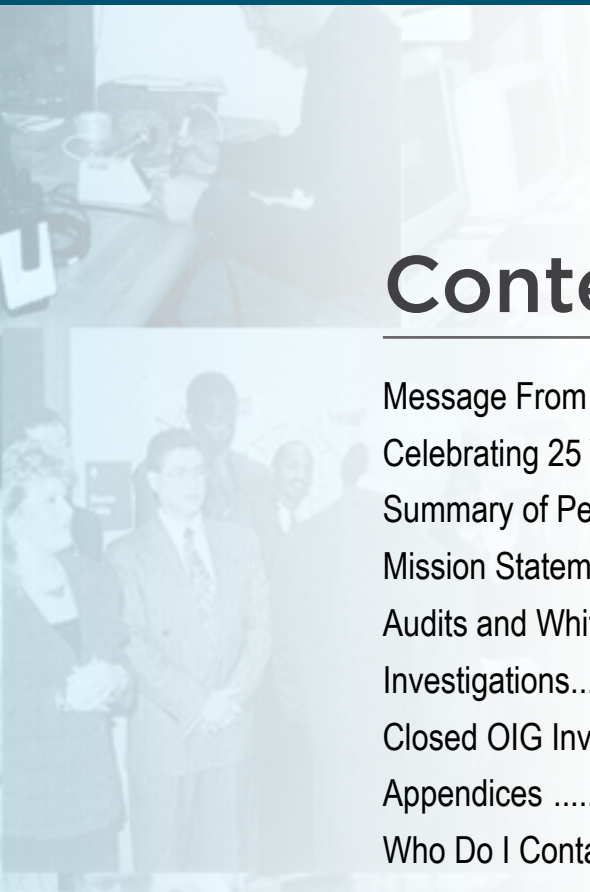
# CELEBRATING 25 YEARS



*Click the above image to view our "Celebrating 25 Years" video.*

Congress passed legislation in 1996 to establish the Postal Service Office of Inspector General as an independent entity with an Inspector General reporting directly to the USPS Governors. Before then, the Postal Inspection Service had conducted oversight of the Postal Service and reported to the Postmaster General.

We have done so many different types of work over the past 25 years. Our work is often reflected in postal reform legislation, and Congress has asked the OIG to testify numerous times on a variety of postal issues. And over the years we have suggested multiple ideas for how the Postal Service could increase revenue and provide needed services. For a more detailed look at what we have done over the past 25 years, click on the image above.



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# Summary of Performance

For the Period: October 1, 2021 — March 31, 2022

## AUDITS and WHITEPAPERS

Questioned Costs: **\$589,310,306** 

Revenue Impact: **\$63,661** 

Funds put to better use: **\$37,661,707** 

**Total:**  
**\$627,035,674**

Reports Issued: **51**

Recommendations Issued: **130**

Total Reports with Financial Impact: **13**

## INVESTIGATIONS<sup>1</sup>

Amount to the Postal Service<sup>2</sup>: **\$14,002,144** 

Cost Avoidance: **\$78,277,082** 

Fines, Restitution, and Recovery: **\$113,435,642** 

Investigations Completed: **1,473**

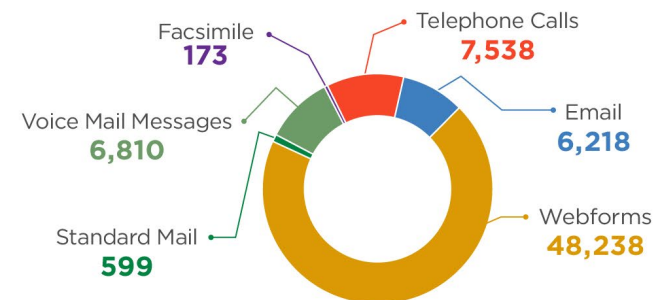
Arrests: **448**

Indictments/Informations: **427**

Convictions/Pretrial Diversions<sup>3</sup>: **501**

Administrative Actions: **862**

## HOTLINE CONTACTS



**Total Contacts:**  
**69,576**

## Mission Statement

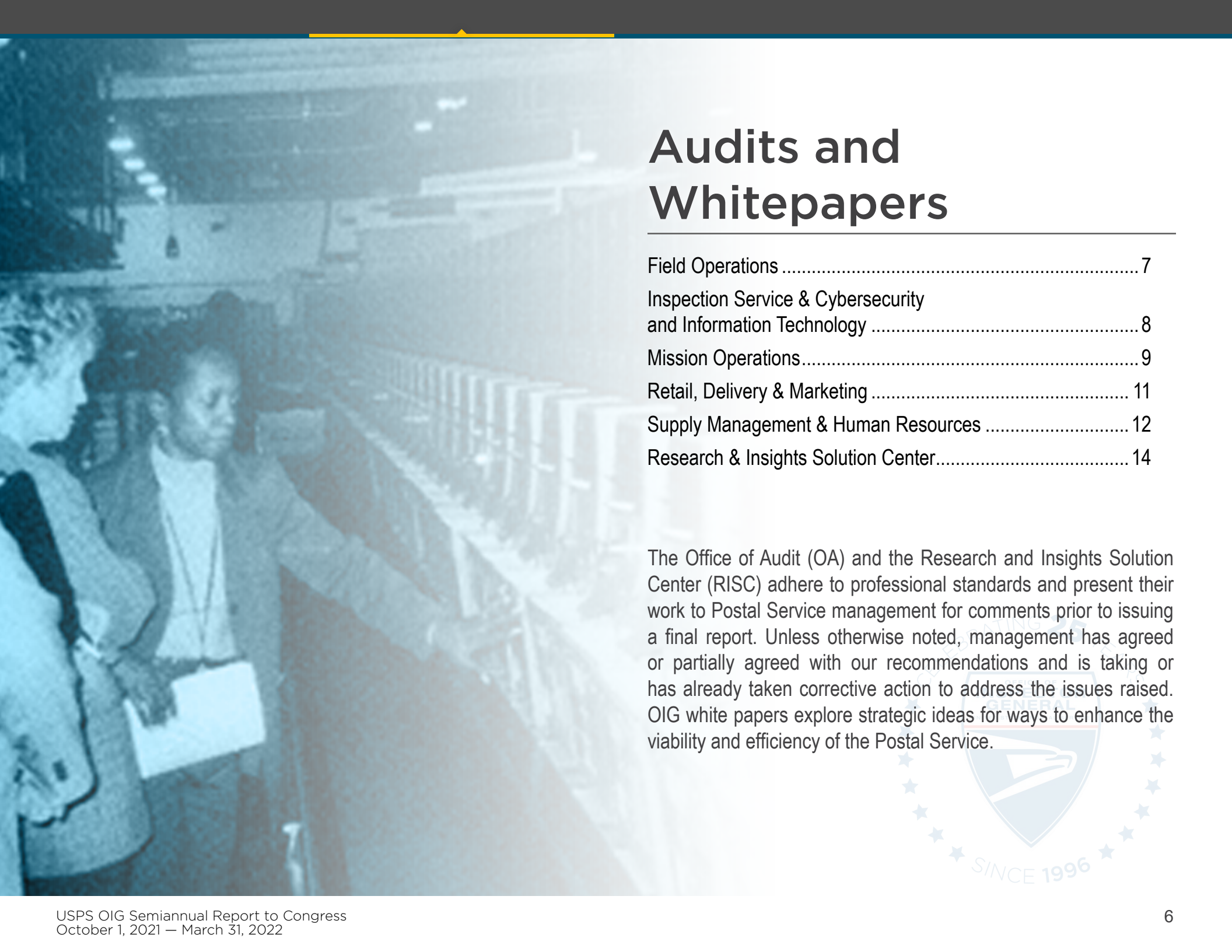
**Ensuring efficiency, accountability, and integrity in the U.S. Postal Service.**

<sup>1</sup> Statistics include joint investigations with other law enforcement agencies.

<sup>2</sup> Amounts are totals to the USPS resulting from joint investigations with other OIG, federal, state, and local law enforcement entities.

<sup>3</sup> Convictions reported in this period may be related to arrests in prior reporting periods.





# Audits and Whitepapers

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The Office of Audit (OA) and the Research and Insights Solution Center (RISC) adhere to professional standards and present their work to Postal Service management for comments prior to issuing a final report. Unless otherwise noted, management has agreed or partially agreed with our recommendations and is taking or has already taken corrective action to address the issues raised. OIG white papers explore strategic ideas for ways to enhance the viability and efficiency of the Postal Service.

# Field Operations

## Mail Delivery and Customer Service Operations – Select Baltimore Units, Baltimore, MD

### Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center

We conducted observations at nine delivery units based on requests from two U.S. Representatives from Maryland. We identified delayed mail issues, which management could address by improving hiring and retention procedures, increasing training availability, and using diagnostic tools. In addition, we identified inaccurate reporting of mail conditions and improper package scanning.

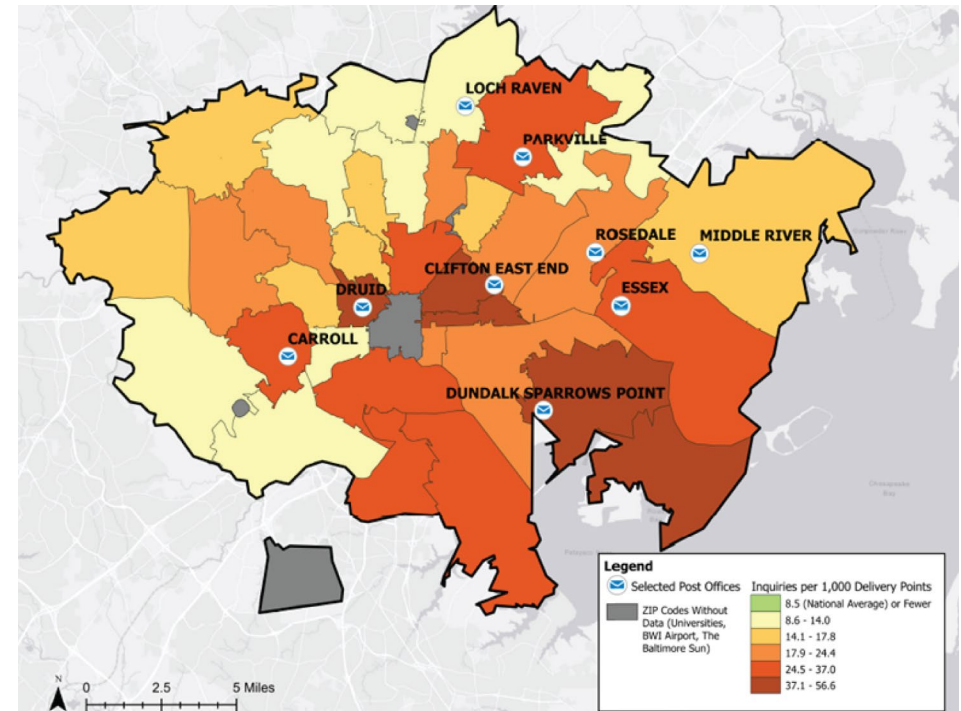
We recommended management 1) complete the removal process for part-time city carriers who no longer work for the U.S. Postal Service; 2) hire and retain enough carriers to consistently reach and maintain authorized complement; 3) open another city carrier training academy for new carriers; 4) analyze available data and establish thresholds for key metrics to determine when additional resources should be requested; 5) ensure all delayed mail is reported daily in the Customer Service Daily Reporting System (CSDRS); 6) develop a list of at-risk units and require them to use available technology to provide pictures or video to support the accuracy of delayed mail reported in CSDRS; and 7) monitor and ensure compliance with package scanning and handling procedures.

We also conducted observations at the Baltimore Processing and Distribution Center (P&DC) and found that manager and supervisor vacancies and attendance issues impacted the efficiency of operations. Additionally, we found the tray management system was inoperable, mail was being brought to docks after scheduled departures, and employees were not performing container load scans and depart scans consistently.

We recommended management 1) fill management vacancies; 2) control unscheduled leave by analyzing absences and discussing attendance with employees; 3) prioritize and track replacement of the tray management system; 4) develop a plan to have adequate

supervision and coordination for timely transport of processed mail to the dock area for dispatch; and 5) provide additional training to employees to further increase load scan scores to meet or surpass the scanning goal. Management generally agreed with the findings; agreed with recommendations 1, 2, 4, and 5; but disagreed with recommendation 3.

### Missing Mail Inquiries for the Baltimore Region From October 2019 – June 2021



Source: OIG analysis of C360 data.

## Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers

We found P&DC management did not know the cause(s) for the large amount of delayed inventory reported in the Mail Condition Visualization

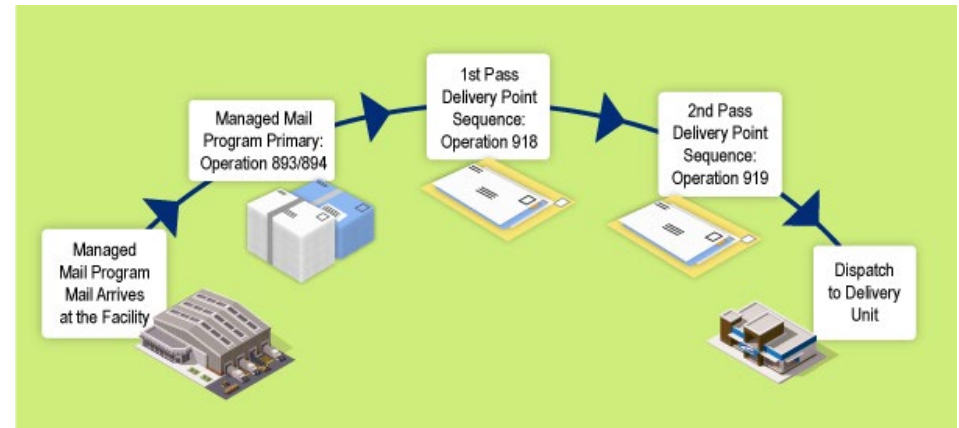
(MCV) system because they did not fully understand how delayed inventories were calculated. Therefore, P&DC management were performing daily counts of delayed mail to determine how much actual delayed mail there was at the plant. However, daily delayed mail counts were supposed to end with the launch of the MCV system. Since P&DC management was still relying on daily delayed mail counts, the Postal Service was not realizing forecasted workhour savings.

We also found that mail was not processed on a last processing operation, which is the last expected mail processing operation before delivery of the mailpiece. This contributed to mail being counted as delayed inventory in the MCV system. In addition, employees were not using specific Content Identification Number (CIN) codes — which remove mail from the delayed inventory condition — for mail processed on non-last processing operations. As a result, P&DC management was unable to rely on MCV data to determine whether the facility actually had delayed mail conditions and did not use the MCV data to measure performance and make operational decisions.

We recommended management 1) provide additional training to management with an emphasis on how to use MCV reports to identify root causes of delayed inventory and provide a more accurate

representation of mail conditions; 2) develop supplemental guidance for local management reiterating that mail employees should finalize mail on a last processing operation; and 3) coordinate with management to determine whether CIN codes need to be changed or added, so that mail is not counted as delayed inventory. Management disagreed with the recommendations.

### Designed Mail Flow for Letters



Source: OIG analysis of C360 data.

## Inspection Service & Cybersecurity and Information Technology

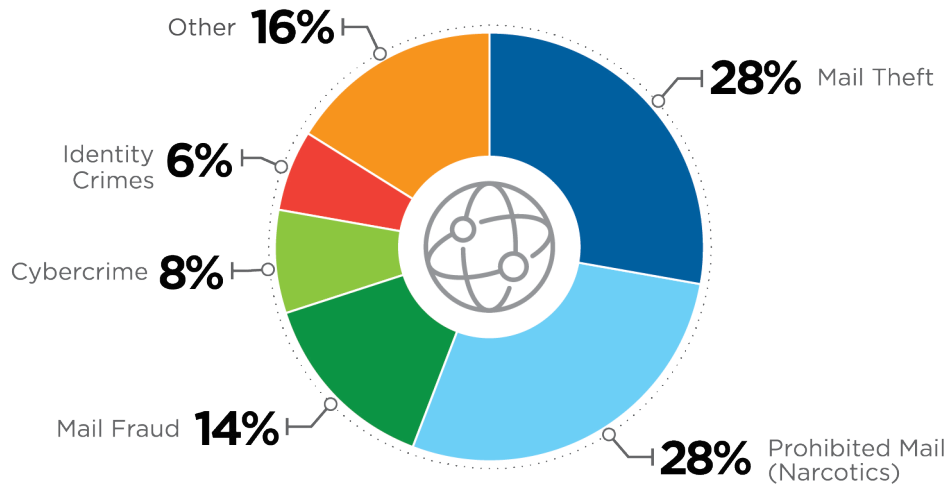
### U.S. Postal Inspection Service’s Online Analytical Support Activities

We determined that certain proactive searches the Internet Covert Operations Program (iCOP) conducted using an open-source tool from February to April 2021 exceeded the Postal Inspection Service’s law enforcement authority. Furthermore, we could not corroborate whether other work that analysts completed from October 2018 through June 2021 was legally authorized.

iCOP (renamed the Analytics Team in 2021) was established in 2018 to provide analytics support for online investigations. Postal Inspection Service activities must have an identified connection to the mail, postal crimes, or the security of Postal Service facilities or personnel (postal nexus) prior to commencing. However, keywords used for iCOP in certain searches did not include terms with a postal nexus. Additionally, the postal nexus was not documented in 122 requests and 18 reports due to a lack of requirements in the program’s procedures. These issues occurred because management did not involve the Postal Inspection Service’s Office of Counsel in the development of iCOP or its procedures.



## Percentage of iCOP Work Completed by Program Area



Source: U.S. Postal Inspection Service.

Note: "Other" includes 18 other program areas, such as Workplace Violence, Prohibited Mail-Firearms, and Anti-Money Laundering.

We also found that iCOP did not develop a records management policy or sensitive information storage and retention standards. As a result, analysts did not retain information needed to ensure compliance with the Postal Inspection Service's legal authority. Finally, contracts supporting these activities did not include all required documents upon award, but management resolved this deficiency when we brought it to their attention.

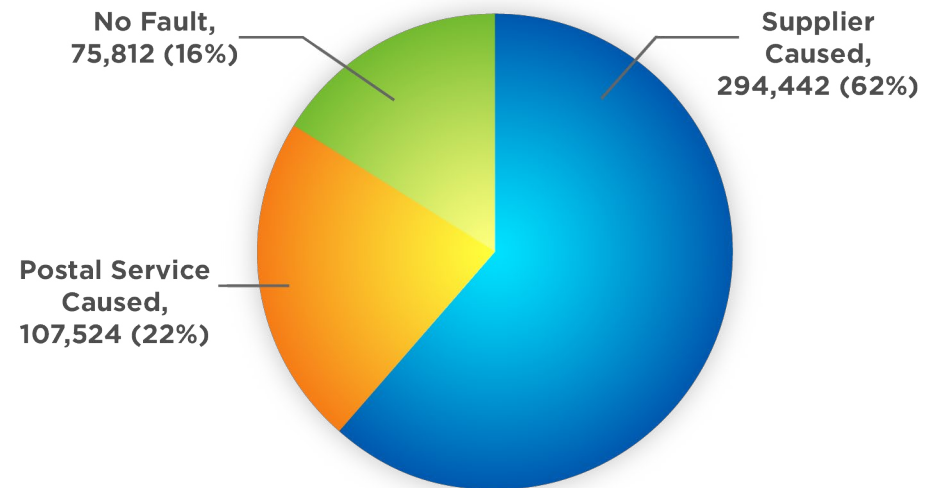
We recommended management 1) conduct a full review of the Analytics Team to ensure activities are authorized; 2) require the Office of Counsel to document its approval of all predefined keywords used for proactive intelligence searches; 3) clarify documentation requirements for Requests for Assistance; 4) require the Office of Counsel to document its approval of proactive work assignments at the time of initiation; 5) require that all reports identify the postal nexus; and 6) develop storage and retention procedures. Management agreed with recommendation 1; partially agreed with recommendations 2 and 6; and disagreed with recommendations 3, 4, and 5.

## Mission Operations

### Trips Operating More Than Four Hours Late

We assessed the effectiveness of the Postal Service's management of Highway Contract Route (HCR) and Postal Vehicle Service (PVS) trips operating more than four hours late from fiscal year (FY) 2018 through FY 2021, Quarter 2. We determined there were about 478,000 (about 2.5 percent) HCR critically late trips (CLTs) for the period reviewed. While the percentage of CLTs compared to all late trips is small, they can significantly impact service performance. The Postal Service's management of HCR CLTs could be more effective with increased oversight of HCR operations, Administrative Official (AO) duties regarding trip irregularities, and day-to-day mail processing and dock operations. In addition, there were about 159,000 (about 1.5 percent) PVS CLTs. The Postal Service should have limited CLTs resulting from its PVS operations. Postal Service employees confirmed that CLTs from PVS operations rarely occur and that trip data in postal systems can incorrectly cause trips to appear to be critically late.

### Count and Percentage of HCR CLTs by Party at Fault



Source: SVweb EDW.

We recommended management 1) update the management instruction for the HCR corrective action process to define when and how often AOs should pursue a supplier for unsatisfactory service, emphasizing CLTs; 2) develop procedures for monitoring AO duties and assign management oversight of AOs to a responsible official, specifically focusing on addressing trip irregularities; 3) consider prioritizing CLTs and requiring trip irregularities to be pursued with suppliers; 4) consider

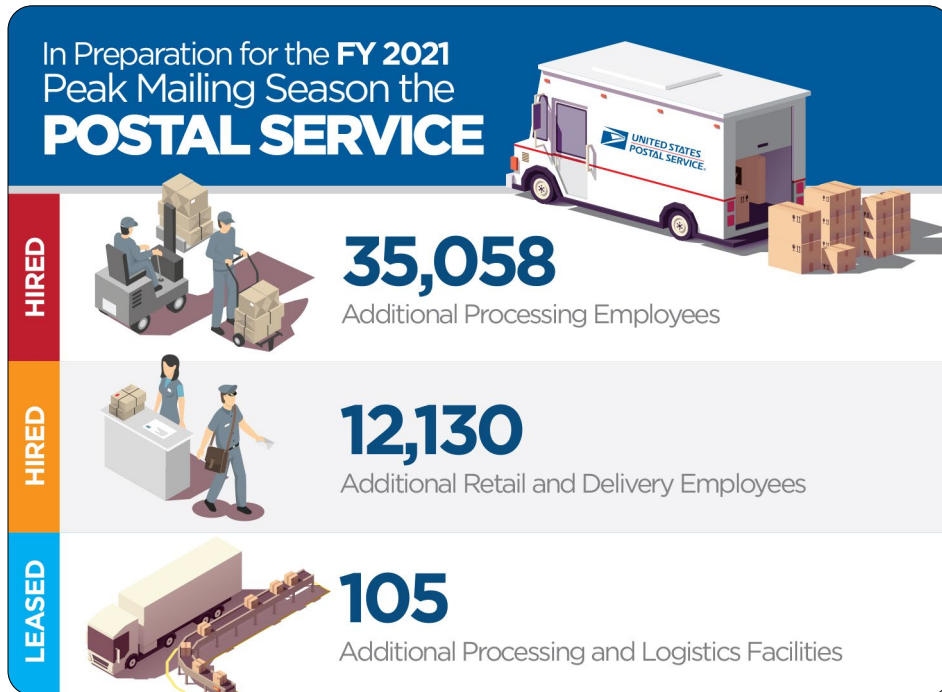
updating contracts to allow for the assessment of liquidated damages to HCR suppliers for CLTs; 5) verify that routinely critically late HCR trips are aligned with postal operations and adjust schedules as needed; and 6) develop procedures to routinely verify the accuracy of PVS trip data for CLTs and correct any data integrity issues. Management disagreed with recommendations 1, 3, and 5 and partially agreed with recommendation 6.

## Fiscal Year 2022 Peak Mailing Season Preparedness

Each year, increased mail volume during the Postal Service’s peak mailing season — November through January — significantly strains its processing and distribution network. Challenges experienced in the prior year’s peak season caused us to increase focus on this year’s preparations.

Postal Service management switched to a new year-round strategy in preparation for the FY 2022 peak season by implementing permanent operational changes, including increasing employee complement and facility space to help meet the needs of peak season. The Postal Service’s year-round approach — coupled with initiatives for the FY 2022 peak season — was intended to address the main causes of low performance from the last peak mailing season.

Overall, management generally agreed with the findings in the report. Because the Postal Service had implemented several initiatives to address the causes of low performance during last peak season and is working to implement other OIG recommendations, we did not make any additional recommendations in this report. We will evaluate actual service performance and issue a report later in the year.



## Air Mail Not Moving as Assigned

The Postal Service transported nearly all air mail on the planned air network and to the appropriate hub. While the amount of air mail transported on the wrong network or to an incorrect hub represents less than 1 percent of total air mail annually, it increased from fiscal years 2018 through 2021. Specifically, the Postal Service transported about 51.3 million pounds of mail originally assigned to lower-cost air carriers on the more costly network. During the same period, the Postal Service transported about 5 million pounds of mail to the wrong hub. Furthermore, operational meetings were not conducted as intended to resolve operational issues, such as meeting volume arrival profile (VAP) requirements and incorrectly routing mail to the wrong network.



Lastly, we identified several best practices for the timely processing and tendering of mail. If implemented nationwide, these best practices may reduce the amount of mail tendered to the wrong air carrier or hub.

We recommended management 1) reinforce terminal handling service requirements for routing mail on the correct air network and to the correct hub; 2) reinforce VAP requirements at mail processing facilities; 3) reinforce the requirement to address issues identified in operational meetings; and 4) consider implementing best practices for displaying updated signage and daily container quality checks at mail processing facilities. Management partially agreed with recommendation 2 and disagreed with recommendation 4.



## Retail, Delivery & Marketing

### City Delivery Operations – Nationwide Route Management

We found the Postal Service was not always effectively managing city letter carrier routes. Package base volumes and route hours recorded in the Delivery Operation Information System did not always reflect the average volume and workhours on routes. In addition, existing delivery performance technologies could alleviate manual processes associated with completing observations, minor route adjustments, and mail count and route inspections.

Overall, package base volumes varied from average volumes on routes due to operational, policy, and human resources issues. In addition, although delivery management receives notifications to review, certify, and resolve daily errors, they did not correct over 11.6 million errors in the Time and Attendance Collection System (TACS) in fiscal year 2020. Ensuring that a route's base volume reflects volume changes and aligns with workhours can help minimize unauthorized overtime

on overburdened routes. We estimate that the Postal Service incurred \$271 million annually in unsupported questioned costs due to unauthorized overtime on routes between FYs 2020 and 2021, Quarter 2.

We recommend management 1) develop a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed; 2) evaluate using alternative methodologies, rather than the five or six consecutive days of a route's mail volume, to maintain the eight-hour workday and account for letter and flat mail base volume; 3) develop an oversight process to monitor and confirm that delivery unit management timely resolve errors in the TACS to ensure route workhours are accurate; and 4) evaluate the feasibility of replacing manual route evaluation activities with existing delivery systems, data, tools, and technology. Management disagreed with our findings, recommendations, and monetary impact.

# Supply Management & Human Resources

## Next Generation Delivery Vehicles – Contract Clauses

In February 2021, the Postal Service awarded an indefinite-delivery/ indefinite-quantity contract to Oshkosh Defense to produce and deliver 50,000 to 165,000 Next Generation Delivery Vehicles (NGDV) — right-hand drive vehicles for mail and package delivery. The first task order is for non-recurring expenses, with a period of performance from February 23, 2021, to August 4, 2023, and a value of \$482 million.

The Postal Service incorporated internal policies, special provisions and clauses, and special agreements into the NGDV contract to mitigate fraud, waste, and abuse based on the unique NGDV acquisition program. That said, the Postal Service still has opportunities to strengthen the NGDV contract by including language requiring contractor self-reporting of fraud and the display of fraud hotline posters in the supplier’s locations.

We recommended management 1) include self-reporting of fraud protection in the NGDV contract through a mutual agreement contract modification; 2) provide and validate that posters advertising the U.S. Postal Service Office of Inspector General (OIG) Hotline are displayed at NGDV supplier facilities through a mutual agreement contract modification; and 3) develop a contract clause for inclusion in applicable future contracts that requires suppliers’ self-reporting of fraud and advertising of the OIG Hotline on suppliers premises.

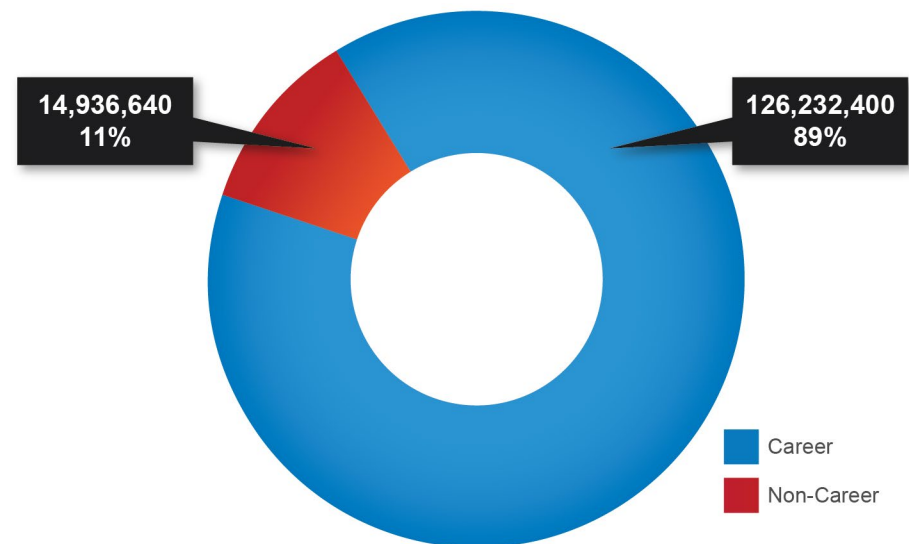
## Unscheduled Leave – Absence Without Leave (AWOL) Status

Unscheduled leave is any leave from work that is not requested and approved in advance. AWOL is a non-pay status resulting from a determination that no type of leave can be granted, either because the employee did not obtain advance authorization for the absence or the request for leave was denied. An employee who is absent without permission or fails to provide satisfactory evidence that an actual

emergency existed is placed in a non-pay status for the period of the absence. Postal Service employees who are AWOL are still counted against the facility’s employee complement and the Postal Service cannot replace them until their official termination and removal from the payroll.

We found that the Postal Service did not always properly record AWOL hours, collect or maintain supporting documentation for AWOL employees, or include all AWOL employees’ disciplinary and health benefit documentation in their electronic official personnel folders. Also, USPS used different guidance to execute progressive discipline.

## FYs 2018 – 2020 Unscheduled Leave Hours Usage – Career vs. Non-Career Employees



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



We recommended management 1) update and distribute policy to clarify how to appropriately record leave for AWOL employees; 2) review, update, and communicate disciplinary guidance and templates on district websites to ensure consistency; 3) provide regularly updated Enterprise Resource Management System (eRMS) and discipline training for managers and supervisors; 4) reiterate the responsibility to timely complete, review, and maintain AWOL employee attendance documentation; 5) clarify and communicate where AWOL employees' disciplinary and health benefit documents should be maintained; 6) develop a process to verify AWOL employees' disciplinary and health benefits documentation is reviewed and uploaded to their electronic official personnel folder; 7) review and update guidance on the Human Resources Shared Service Center website to ensure appropriate documentation is included in an employee's electronic official personnel folder; and 8) establish policy to define how to properly record administrative actions in the eRMS.

Management generally agreed with all the recommendations but disagreed with some of the findings and assumptions in the report and the monetary impact.

## Deposit by Mail Controls at the U.S. Postal Service

We followed-up on actions the Postal Service has taken to address prior identified security deficiencies surrounding deposit by mail (DBM) service at a postal facility. In February 2015, the Postal Service and a bank initiated the DBM service to allow cash and high-value mailings to be sent to the bank from retail customers through the Postal Service's Priority Mail system.

The Postal Service did not fully address all security deficiencies surrounding DBM service at the facility. Specifically, in December 2021, we observed management did not properly address five high-risk security deficiencies identified in prior OIG and Postal Inspection Service reviews. Additionally, the Postal Service did not know how much it spent to provide DBM service for the bank. While USPS received revenue

from postage customers paid to send deposits via Priority Mail, it spent additional money on resources to safeguard those deposits.

We recommended management 1) properly address all remaining security deficiencies identified by the Postal Inspection Service within 30 working days of identification, as required; and 2) conduct a cost-benefit analysis of the DBM service. This analysis should include, at a minimum, an evaluation of anticipated future volume, costs incurred to secure deposits within the specific facility compared to revenue earned, and employee safety risk associated with storing large amounts of cash at a Postal Service facility.



## Electric Delivery Vehicles and the Postal Service

In February 2021, when awarding a contract to produce and deploy 50,000 to 165,000 Next Generation Delivery Vehicles over 10 years to replace its aging fleet, the Postal Service announced its intention to make at least 10 percent of its NGDVs electric. The OIG sought to identify opportunities and challenges for the Postal Service in adopting electric delivery vehicles. We assessed the suitability of using electric vehicles as postal delivery vehicles and analyzed the potential long-term cost savings of a new electric delivery vehicle compared to a new gas-powered vehicle.

### Next Generation Delivery Vehicles - Features of the New NGDVs



Source: United States Postal Service, *Delivering for America*, 2021.

The adoption of electric delivery vehicles could save the Postal Service money in the long term — at least for certain delivery routes. The upfront

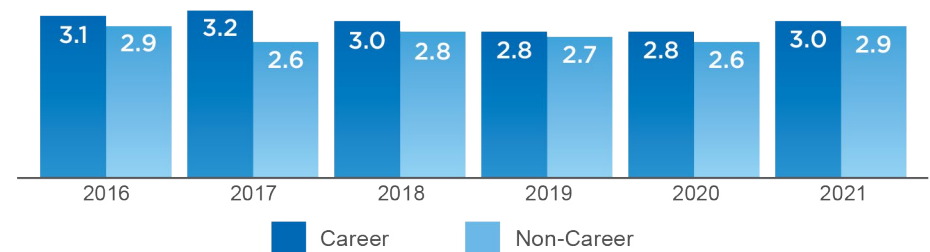
cost of an electric delivery vehicle and necessary charging infrastructure is significantly higher than the cost of buying a new gasoline-powered vehicle. However, once purchased, electric vehicles are generally cheaper to operate. The OIG also benchmarked the electric vehicle experiences of other federal agencies, foreign posts, and companies in the logistics and shipping sector. We identified several clear benefits of adopting electric vehicles into the postal delivery fleet, including improved sustainability and environmental impacts.

## Views of the Postal Service as an Employer

To better understand postal workers' perceptions of their employer, the OIG analyzed ratings and reviews of the Postal Service on Glassdoor.com and Indeed.com. Online employee reviews present an opportunity for the Postal Service to examine employee views, improve prospective employees' perceptions, and increase new employee hiring. Like those of comparable organizations, USPS's ratings have stayed the same or declined over the past six years. Career employees on Glassdoor rated the Postal Service more favorably than non-career employees did and were also more likely than non-career employees to recommend USPS as an employer.

### Career Employees Consistently Rated USPS Higher than Non-Career Employees

Average Ratings of USPS on Glassdoor.com



Source: OIG analysis of Glassdoor.com ratings of USPS from current and former employees.



Turnover is low among career employees, but nearly 40 percent of new non-career employees leave the Postal Service within the first 90 days of employment. In February 2021, USPS implemented a new initiative to increase retention and improve the onboarding process for new non-career employees. Continuing endeavors to reduce turnover and address emerging complaints will empower a workforce that is vital to the future success of the Postal Service.

## The Truck Driver Shortage: Implications for the Postal Service

The truck driver shortage is consequential for the Postal Service, which relies on a large surface transportation network, including USPS-employed drivers and contracted carriers. The American Trucking Associations estimated a shortage of 80,000 truck drivers in 2021, an increase from 60,800 drivers in 2018. The Postal Service has had a shortage of over 1,000 Postal Vehicle Service drivers since at least 2018, which necessitates more overtime hours for drivers currently on-roll. The truck driver shortage also has contributed to increased costs and performance challenges for highway contract routes (HCRs).

The OIG identified several strategies to mitigate the impact of the driver shortage. Beyond wages, many drivers are attracted to jobs that offer dedicated routes and the ability to go home at night. Continuing to highlight these aspects of the job in marketing materials is therefore important for USPS. Recruitment efforts can also focus on targeting younger drivers and women drivers to bolster the workforce. Focusing on the driver experience is another powerful way to improve driver recruitment and retention, and strategies for doing so can include collecting driver feedback, encouraging positive interactions between drivers and facility staff, and ensuring driver access to basic facility amenities, including for contracted drivers.

The Postal Service is also working to expand the HCR supplier base, and best practices for maintaining relationships with carriers could be an important part of that effort. Finally, some shippers and carriers are deploying technologies, including apps on smartphones, to better coordinate loads and unloads and optimize driver time. Taken together, the best practices noted above could help the Postal Service mitigate the impacts of the driver shortage, which is essential to control costs and ensure capacity is available for highway transportation of mail.





# Investigations

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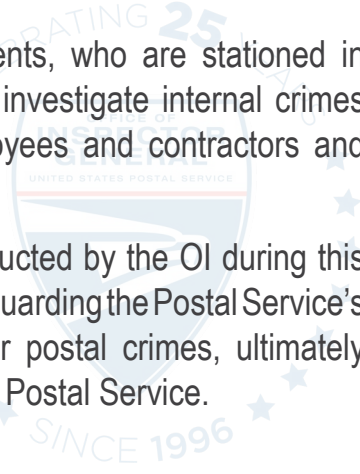
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The Postal Service is consistently ranked by the Ponemon Institute as America’s “most trusted federal agency.” Among the reasons for this trust is the integrity of its employees. However, a few postal employees and contractors betray that trust and abuse the public’s confidence in the Postal Service. When that happens, the OIG’s Office of Investigations (OI) gets involved.

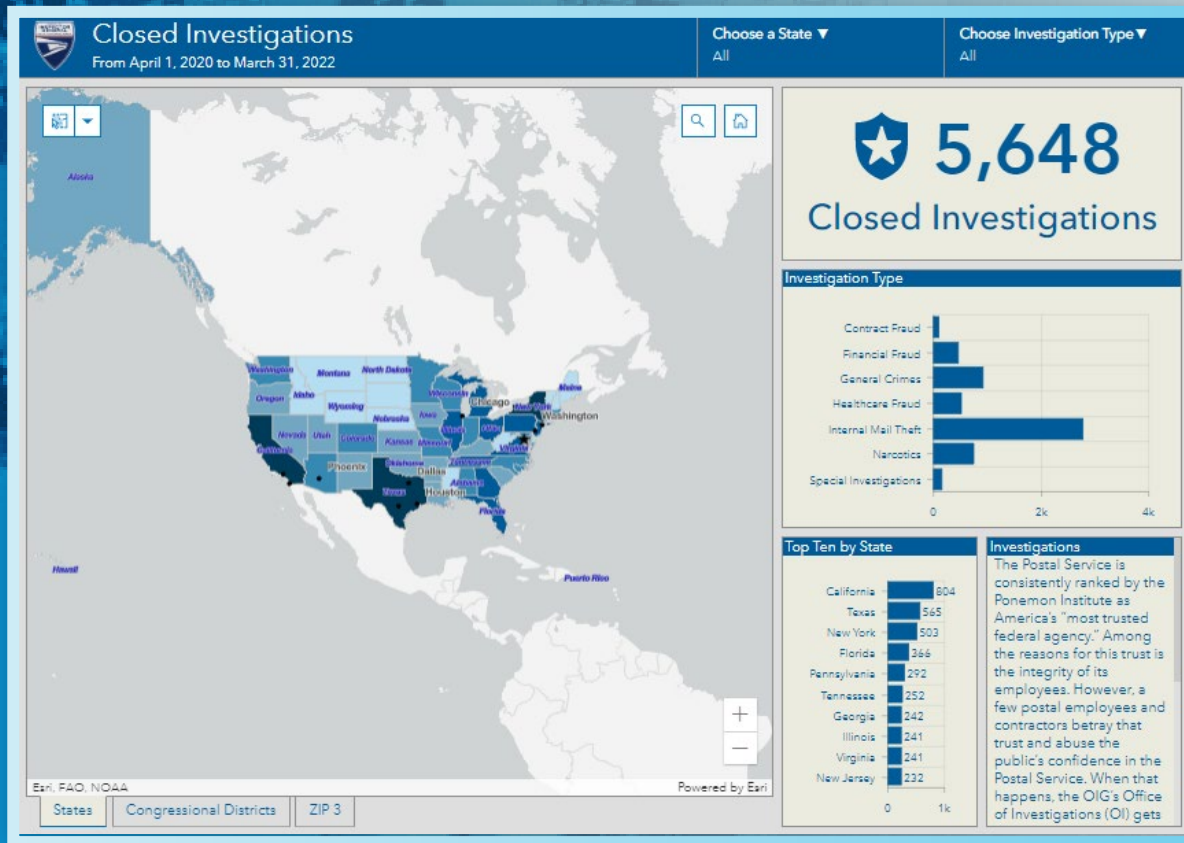
To protect the mail and to ensure the integrity of postal processes, finances, and personnel, the Postal Service relies on the

investigative efforts of OI special agents, who are stationed in offices nationwide. Their charge is to investigate internal crimes and fraud committed by postal employees and contractors and also employee misconduct.

In this section, we highlight work conducted by the OI during this reporting period that contributed to safeguarding the Postal Service’s revenue and assets and helped deter postal crimes, ultimately helping to maintain a stable and sound Postal Service.



# Closed OIG Investigations: A New Dashboard



Our special agents receive a number of allegations involving USPS employees and contractors. Some of these allegations turn into investigations. We recently created an interactive dashboard and webpage dedicated to our closed investigations.

We define closed investigations as investigations that are completed, including those with administrative, civil, or criminal actions, or those closed due to insufficient evidence of wrongdoing.

The new dashboard contains two years' worth of data and will be updated semiannually, in conjunction with the Semiannual Report to Congress schedule. The dashboard provides the ability to filter by program area as well as by geographic location, and includes news about the most recent cases the OIG has investigated. [View the page here.](#)



# Narcotics

In April 2018, the OIG and the U.S. Postal Inspection Service (USPIS) began a joint investigation into a potential conspiracy between two Postal Service employees redirecting suspected narcotics parcels. The investigation determined that a mail processing clerk would solicit a letter carrier for addresses on the carrier's delivery route. The clerk would then identify suspected narcotics parcels and place a premade delivery label with an address on the carrier's route over the intended delivery address. The carrier would then intercept that parcel and hand it off to the clerk for a cash payment.

In December 2019, the carrier resigned from the Postal Service and in February 2021 was arrested and charged with one count of delay of mail. In August 2021, the former carrier pleaded guilty and was sentenced in October 2021 to two years' probation and 200 hours of community service.

In February 2021, the clerk was charged with the same count and was removed from the Postal Service. In October 2021, the former clerk pleaded guilty and was sentenced in January 2022 to two years' probation, three months home confinement, and 200 hours of community service.

In March 2020, USPIS notified the OIG that several parcels suspected to contain controlled substances went missing from the mailstream after being scanned at a P&DC. Surveillance identified the manager of customer service as the individual stealing the suspected drug parcels. The manager would travel from his assigned post office every morning to pick up Express Mail at a nearby carrier annex. He would then assist in manually sorting Express Mail parcels, using the opportunity to profile and steal parcels.

In July, the OIG arrested the manager after he opened and stole several Express Mail parcels containing fentanyl, cocaine, methamphetamine, and marijuana. On that same date, search warrants were executed at two of his residences as well as co-conspirators' residences. Over \$100,000 in cash, a bank account, guns, jewelry, a new Polaris Slingshot vehicle, a Harley Davidson motorcycle, and designer shoes and belts were seized.

In August, the manager resigned from the Postal Service. Approximately a year later, the former manager pleaded guilty to all charges, and on December 29, 2021, was sentenced to 10 years of incarceration to be followed by five years of supervised release. The investigation did not uncover sufficient evidence to charge the co-conspirators.



*Items seized during execution of a search warrant: Weapons; jewelry; more than \$100,000 in cash; a new Polaris Slingshot vehicle and a Harley Davidson motorcycle.*

## Health Care Claimant Fraud

We learned that a former letter carrier failed to report her employment and/or earnings for her home caretaker business to the U.S. Department of Labor, Office of Workers' Compensation Program (DOL OWCP). The former carrier, who had been on compensation since May 2007 for an ankle sprain, retired on disability in 2014, but she continued to receive workers' compensation benefits totaling over \$400,000.

Despite saying she was not working or involved in any business, the former carrier was physically active, assisting elderly women with shopping, driving, and other errands, while receiving workers' compensation benefits. The investigation also disclosed the carrier fraudulently received Social Security Administration (SSA) disability

benefits. During an interview with OIG agents, the former carrier confessed she was working as a paid caretaker for at least two elderly female clients since October 9, 2009.

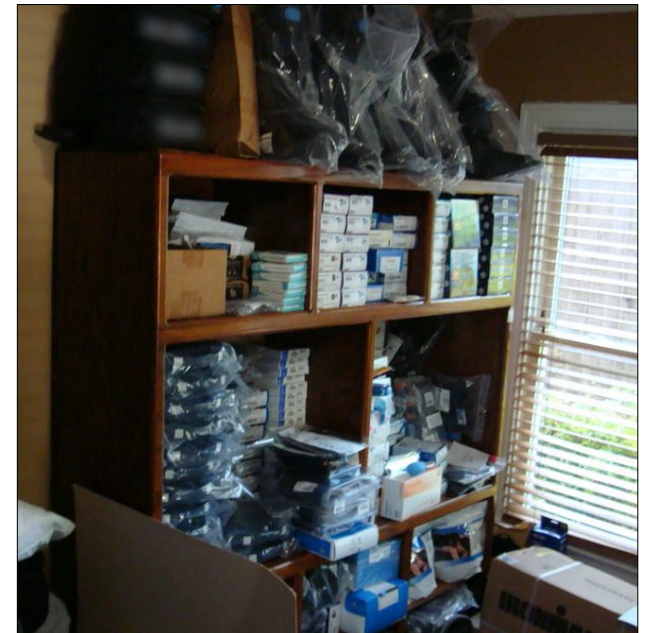
On October 1, 2021, the former carrier pleaded guilty to one count of false statement or fraud to obtain federal employees' compensation. On January 20, 2022, the former carrier was sentenced to two years of probation with four months home confinement and 100 hours of community service. She was also ordered to pay restitution of approximately \$53,000 to DOL OWCP and \$46,000 to SSA. DOL OWCP terminated her benefits, resulting in a cost avoidance of more than \$650,000.

## Health Care Provider Fraud

The OIG participated in a multi-agency investigation into the owners of a Durable Medical Equipment (DME) company in Texas allegedly involved in several schemes to defraud OWCP. Specifically, the owners misrepresented billing codes for DME dispensed to injured Postal Service employees and overbilled by misrepresenting equipment as rented, resulting in reimbursements more than 3,600 percent above the appropriate amount. A review of records showed multiple billings for individual cases for the same CPT codes in the same year. In one case, a company was paid for providing a patient with a pump for a water circulating pad 25 times in one year. The review also indicated a significant overlap of claimants between the two companies. The owners also engaged in a scheme with an employee of a separate DME company to pay kickbacks for federal

health care referrals as well as to buy and sell stolen private health information of injured federal workers.

The employee of the separate DME company was arrested, pleaded guilty to receiving illegal remuneration, and was sentenced to a year and a day incarceration. The chief executive officer and the chief operating officer of the Texas DME Company were convicted of conspiracy to commit health care fraud. Both were sentenced to 87 months' incarceration and ordered to pay over \$6 million in restitution. On January 19, 2022, the Department of Health and Human Services Office of Inspector General excluded them for a minimum period of 25 and 30 years, respectively, from participation in any federal health care program. This investigation resulted in a \$9.9 million cost avoidance and \$3.2 million in restitution to the Postal Service.



*Shelves of items seized from a durable medical equipment company involved in multiple fraud schemes.*



The OIG was the lead agency investigating a pharmacy kickback scheme, identifying several defendants, one of which was known as the “compound king.” The investigation revealed several clinics were paid \$20,000 per month for sending compound pain medications to a suspect pharmacy owned by a husband and wife. A medical expert testified that the compounded creams were of little to no medical value and were formulated solely to achieve the maximum payment from DOL OWCP. At least one shell company was created to funnel and hide the source of the kickback funds. Additionally, a marketer facilitated the scheme by funneling kickback payments through their companies. The scheme resulted in over \$21.8 million in fraudulent claims submitted to DOL OWCP.



*Above and right: One of the pharmacies that was part of a kickback scheme involving compound pain medications.*

Agents executed search warrants and seized \$91,000 in proceeds from the defendants. Due to the overwhelming evidence, the marketer pleaded guilty to conspiracy to pay and receive kickbacks and was ultimately sentenced to 18 months in prison. The wife pleaded guilty

to conspiracy to commit health care fraud and agreed to forfeit \$1 million; she was sentenced to 30 days of home confinement. The husband pleaded guilty to conspiracy to pay and receive kickbacks and was sentenced to two years of probation. The business associate who helped establish the shell companies fled the country. The so-called “compound king” was convicted at trial and sentenced to 10 years in prison and ordered to pay \$12.3 million restitution (\$7.6 million of which to the Postal Service). The pharmacy was debarred from participation in government health care programs, resulting in a \$20.5 million cost avoidance to the Postal Service.







## Contract Fraud

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**T**he OIG received a customer complaint alleging that a bulk mail technician may have been paid by a printing and mailing company to alter or reduce the amount of postage for mailings submitted at a Bulk Mail Entry Unit (BMEU) in Paramount, CA. This joint investigation between the USPS and the OIG revealed the bulk mail technician did accept bribes and conspired with two customers to reduce the postage they paid at the Paramount, CA, BMEU. Total losses were calculated to be at least \$11.7 million between 2013 and 2018.

In January 2019, the postal employee, the supervisor, and owner of the printing and mailing company were indicted. Each subsequently pleaded guilty to a single count of conspiracy to commit mail fraud. In July 2020, the employee was sentenced to more

than eight years in prison and ordered to pay USPS restitution of more than \$11.7 million. The supervisor was sentenced to 18 months in prison followed by three years of supervised release and was also ordered to pay more than \$5.3 million in restitution. In September 2019, the mailing company owner was sentenced to two years in prison, followed by three years of supervised release, and ordered to pay \$4 million in restitution.

In February 2020, the owner of a local clothing company who was also discovered to be involved in the scheme pleaded guilty to two counts of bribing a government employee. In January 2022, the owner was sentenced to nine months in prison, followed by one year of supervised release, and ordered to pay \$6 million in restitution.

## Financial Fraud

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**A**n OIG investigation determined that from 2014 through 2018, a married couple who were joint owners of an online business submitted more than \$79,000 in fraudulent indemnity claims to the Postal Service. The couple's scheme involved mailing packages to customers who had made purchases from their online business, then falsely claim the packages were opened or damaged in transit. An OIG agent spoke to one of the customers whose purchase was used to file an indemnity claim. The customer stated the item had arrived

intact. When interviewed by OIG agents, the husband-and-wife team admitted to the scheme.

In August 2021, the wife pleaded guilty to fraud; the husband pleaded guilty the following month. In October and December 2021, the wife and husband respectively were sentenced and ordered to pay a combined restitution in the amount of \$79,455. They were further ordered to complete 100 hours of community service and serve six months in a home detention program.

# Mail Theft

In July 2019, the OIG received information from the Department of Veterans Affairs (VA) regarding parcels containing medication destined to a particular ZIP Code were either shorted on the number of pills or pills were missing. According to the VA, one parcel originally contained 112 oxycodone pills but arrived opened and resealed, missing 42 pills. A review of VA pharmacy records revealed a prior shipment of the same medication in June 2019 to the same addressee never arrived.



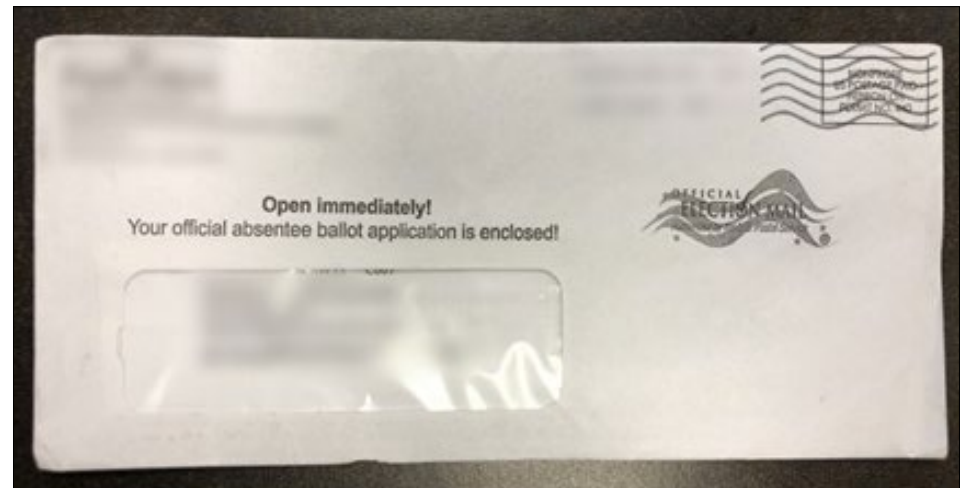
*Pills recovered from the Postal Support Employee's purse.*

The OIG investigation revealed a Postal Support Employee was responsible for the theft of medication from incoming VA parcels at the post office. During an OIG interview, the employee admitted to stealing controlled substances from VA medication packages. The employee targeted the parcels because they contained oxycodone pills, which the

employee admitted to using personally. The employee also admitted to illegally selling Postal Service money orders to herself.

In December 2019, the employee was removed from the Postal Service. In January 2021, she was arrested and later pleaded guilty to mail theft. In December 2021, the former employee was sentenced to one year of probation and assessed a \$5,000 fine.

The National Law Enforcement Communications Center (NLECC) informed the OIG in October 2020 about an off-duty arrest of a Postal Service city carrier and undelivered mail discovered inside the carrier's personal vehicle. The arresting police department secured the mail, and OIG agents recovered it the next day. An inventory of the mail totaled approximately 335 pieces of Voter Participation postcards, one Office of the Ohio Secretary of State Absentee Ballot application, political campaign pamphlets (paid for by the Republican Party) and other non-Election-related mail, none of which was addressed to the Postal employee.



*Recovered Absentee Ballot application of the Office of the Ohio Secretary of State from the suspect's personal vehicle.*



*Undelivered mail discovered in the city carrier's backpack in his personal vehicle.*

OIG agents attempted to interview the city carrier regarding the undelivered mail. The city carrier initially refused to speak to OIG agents and requested an attorney. After agents were able to conduct the interview, USPS management placed the carrier in an off-duty status. In March 2021, the former carrier was formally charged with one count of delay/destruction of mail. The employee resigned from the Postal Service and in September 2021 pleaded guilty. He was sentenced to two years' probation and also ordered to write a letter of apology to the Ohio Secretary of State.

## General Crimes

The OIG received a complaint from a postal supervisor alleging a lead sales and service associate used a customer's personal information to send a letter soliciting a date with her daughter. In July 2021, the customer's daughter went to a post office to pick up some packages she was expecting for her birthday. The daughter was turning 18 years old, so the packages being mailed were addressed to her mother, the customer. When the daughter arrived at the post office, the clerk at the window proceeded to ask her some personal questions.

The following month, the customer received a G-10 envelope addressed to her with a note asking to go out with her. The note included the clerk's name and phone number, and the return address on the government-supplied envelope was the clerk's home address. The envelope had been addressed to the customer and not her daughter because, as the customer surmised, the clerk believed the name on the package to be the name of the daughter. In August 2021, the clerk was interviewed and admitted culpability. He was removed from the Postal Service in November 2021.





# Senior Executive Investigations

## **Substantiated allegations:**

During the reporting period, three instances of misconduct by Postal Career Executive Service (PCES) employees were substantiated. The PCES grade is substantially similar to the Senior Executive Series (SES).

**T**he OIG received a complaint containing several allegations against a Postal Service manager. We investigated and substantiated seven allegations, including that the manager and a subordinate supervisor, with whom the manager had a long-term romantic relationship, lacked impartiality when the manager hired their personal landscaper for postal landscaping services. With the manager's approval, postal offices exceeded their local buying authority limits to use the landscaper, and the manager then helped promote the landscaper's services to the postal contracting office to generate a contract.

We also substantiated that the manager 1) allowed his staff to work unauthorized higher-level assignments, 2) instructed lower-level managers to improperly re-assign workhours from the custodial function to letter carriers to improve performance reports, and 3) did not follow proper procedures for workers' first-aid compensation claim payments. The manager supervised and provided performance ratings for his brother and the subordinate supervisor. The manager detailed the subordinate supervisor's daughter to work directly for the supervisor in her post office. Finally, the manager allowed subordinates to improperly use Postal Service administrative vehicles as a "bonus" and drive them home for personal convenience.

The investigation was referred to the Department of Justice for prosecution but was not accepted. The OIG provided its report of investigation (ROI) to the Postal Service for appropriate action, and

## **Unsubstantiated allegations:**

During the reporting period, three instances of alleged misconduct by PCES employees were unsubstantiated.

**W**e investigated an allegation that a Postal Service manager excessively used a USPS credit card to purchase lunches and refreshments for meetings. It was also alleged that the manager

the manager was removed from USPS employment. The subordinate supervisor was issued a letter of warning in lieu of a 14-day suspension.

**T**he OIG received a complaint that a Postal Service manager operated an online clothing store and used her position to secure an exclusive postal shipping deal for the business with advantageous rates. This allegation related to the exclusive shipping deal was unsubstantiated; however, during the investigation it was found that the manager used her Postal Service email account to operate her online clothing store.

This investigation was not referred for prosecution. The OIG referred the policy violation to the Postal Service for appropriate action. In response, a letter of warning in lieu of a seven-day time-off suspension was issued.

**T**he OIG received a complaint that a Postal Service manager instructed subordinate employees to record late trips as contractor failures, even when the delay was caused by USPS. We substantiated the complaint that the manager, as well as a subordinate supervisor, instructed at least six employees to falsify surface visibility scans.

This investigation was not referred for prosecution. The OIG provided its ROI to the Postal Service for appropriate action. The Postal Service took no action for over a year, and the manager subsequently retired. The Postal Service took no disciplinary action against the subordinate supervisor.

circumvented the Information Technology equipment approval process when purchasing several televisions or monitors. Our investigation did not uncover criminal or administrative misconduct; however,

deficiencies in the purchase process were identified and referred to the Postal Service.

**W**e investigated an allegation that a Postal Service manager instructed a subordinate to leave work early to walk the manager's dog. It was also alleged that the manager incorrectly returned

undelivered sales fliers to a customer. Our investigation disclosed no information to substantiate the allegation.

**W**e investigated an allegation that a Postal Service manager misused a USPS-issued vehicle. Our investigation disclosed no information to substantiate the allegation.

## Whistleblower Reprisal Investigations

During the reporting period, there were two substantiated whistleblower reprisal allegations.

### Substantiated allegations:

**T**he OIG received a complaint alleging that an employee received three disciplinary actions after confronting a Postal Service supervisor about abuse of authority and reporting the supervisor to the OIG for violations of ethics policies. The OIG's investigation substantiated that the employee's protected disclosures were, at a minimum, a contributing factor in the supervisor's decisions to take personnel actions against the employee.

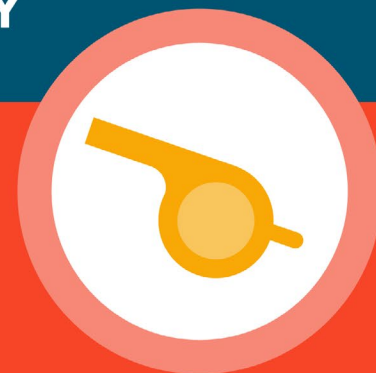
On June 9, 2021, the OIG's investigative report was sent to Postal Service management. On October 19, 2021, the supervisor was issued a letter of warning in lieu of a seven-day time-off suspension.

**T**he OIG received an allegation that, after a Postal Service employee disclosed policy violations and mismanagement concerning a manager, the manager contacted the employee's direct supervisor, and the employee was removed from a special project assignment. The OIG's investigation substantiated that the employee's protected

## WHISTLEBLOWER REPRISAL ACTIVITY

For the Period: October 1, 2021 — March 31, 2022

Allegations Received: **56**  
OIG Investigations Initiated: **8**  
Investigations Closed with No Action: **3**  
Allegations Closed with No Action: **57**  
OIG Found Reprisal: **2**



disclosures were, at minimum, a contributing factor in the supervisor's decision to remove the employee from the special project.

On August 3, 2021, the OIG's investigative report was sent to Postal Service management. On December 10, 2021, Postal Service management stated their investigation determined there was insufficient evidence to support corrective action. The OIG requested a copy of the Postal Service's investigation, and on January 26, 2022, postal management initiated a further investigation. On March 10, 2022, USPS reported its investigation was inconclusive and that no corrective action would be taken against the manager or the direct supervisor.

# Appendices

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The Inspector General (IG) Act of 1978 requires semiannual reports on the immediately preceding six-month periods ending September 30 and March 31. These reports are sent to Congress and made available to the public.

This report summarizes OIG activities and illustrates significant problems, abuses, and deficiencies, along with recommendations and corrective actions related to the administration of U.S. Postal Service programs and operations during the reporting period.

The appendices on the following pages fulfill the requirements of the Act.

## Definitions

**Revenue Impact.** Amounts from revenue-generating functions such as retail sales, rent, leases, or fees that were underpaid or not realized. In addition, this category includes increased revenue from existing functions and generating revenue from new sources.

**Inspections/Evaluations.** The Research Insights and Solution Center (RISC), using the inspections and evaluations standards, conducts in-depth research and analysis on postal issues to identify opportunities for revenue growth and increased operational efficiencies to enhance the viability and efficiency of the Postal Service. This work is generally issued in the form of white papers.

**Questioned Costs.** A cost that is unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, and so forth.

**Unsupported Costs.** A cost that is not supported by adequate documentation. Unsupported costs are included with the amounts shown as Questioned Costs.

**Funds Put to Better Use.** Funds that could be used more efficiently by implementing recommended actions.



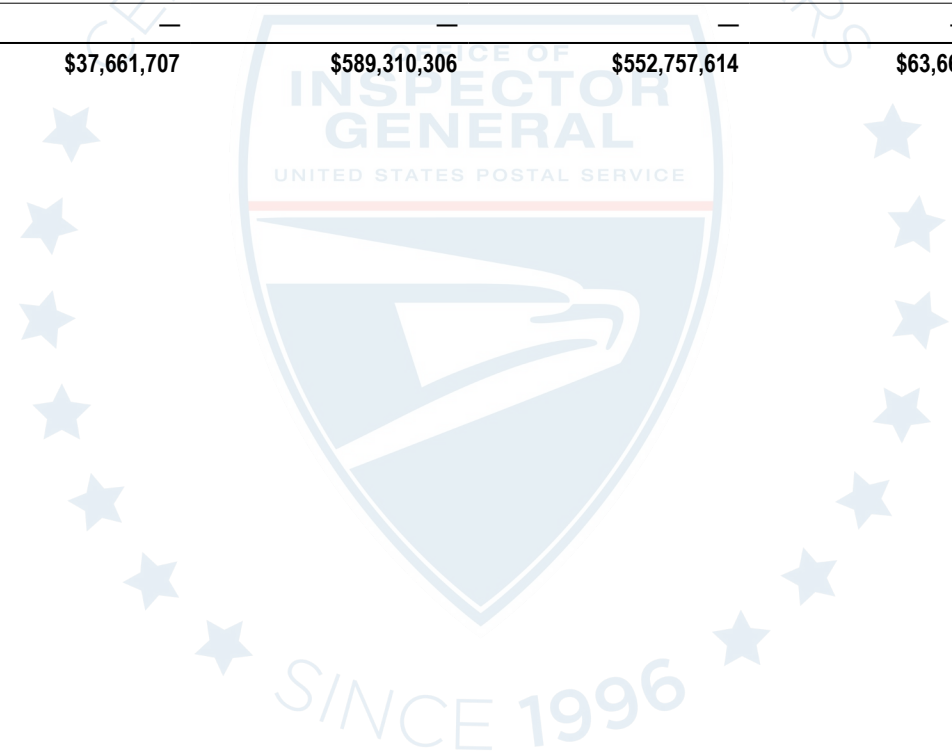
# APPENDIX A: Reports Issued to Postal Service Management

## Summary

OIG audit teams conduct performance and financial audits, evaluations, and other reviews to address the business of the Postal Service.

For the period: October 1, 2021 — March 31, 2022

| Risk Categories   | Number of Reports | Funds Put To Better Use | Questioned Costs     | Unsupported Questioned Costs | Revenue         |
|---|-------------------|-------------------------|----------------------|------------------------------|-----------------|
| Field Operations  | 17                | —                       | —                    | —                            | —               |
| Finance and Pricing                                     | 14                | —                       | \$106,178            | \$106,178                    | \$63,661        |
| Inspection Service, Information Technology & Operations | 2                 | —                       | \$36,285             | \$36,285                     | —               |
| Mission Operations                                      | 5                 | \$28,271,695            | \$28,001,457         | —                            | —               |
| Retail, Delivery & Marketing                            | 3                 | —                       | \$541,175,238        | \$541,175,238                | —               |
| Supply Management & Human Resources                     | 7                 | \$9,390,012             | \$19,991,148         | \$11,439,913                 | —               |
| <b>Total</b>  | <b>48</b>         | <b>\$37,661,707</b>     | <b>\$589,310,306</b> | <b>\$552,757,614</b>         | <b>\$63,661</b> |
| RISC  | 3                 | —                       | —                    | —                            | —               |
| <b>Total</b>  | <b>51</b>         | <b>\$37,661,707</b>     | <b>\$589,310,306</b> | <b>\$552,757,614</b>         | <b>\$63,661</b> |



## APPENDIX A: Reports Issued to Postal Service Management

### Reports with Quantifiable Potential Monetary Benefits

For the period: October 1, 2021 — March 31, 2022

|  | Number<br>of Reports | Funds Put<br>to Better Use | Questioned<br>Costs  | Unsupported<br>Questioned Costs | Revenue<br>Impact |
|--|----------------------|----------------------------|----------------------|---------------------------------|-------------------|
| <b>Finance and Pricing</b>   |                      |                            |                      |                                 |                   |
| <b>Finance</b>   |                      |                            |                      |                                 |                   |
| Payments to Contract Cleaners, 21-096-R22, 11/12/2021  | 1                    | —                          | \$23,428             | \$23,428                        | —                 |
| Shipping Services Contract Compliance, 20-315-R22, 10/19/2021  | 1                    | —                          | —                    | —                               | \$63,661          |
| <b>Financial Controls</b>  |                      |                            |                      |                                 |                   |
| Fuel Expenses, Cash, Stamps, and Money Orders – Charlotte, NC, Ballantyne Station Post Office, 22-018-R22, 3/14/2022 | 1                    | —                          | \$23,126             | \$23,126                        | —                 |
| Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices, Brooklyn, NY, 21-217-R22, 10/6/2021   | 1                    | —                          | \$40,850             | \$40,850                        | —                 |
| Voyager Card Transactions – Acredale Station, Virginia Beach, Virginia, 21-241-R22, 2/11/2022                        | 1                    | —                          | \$1,023              | \$1,023                         | —                 |
| Voyager Card Transactions – Baltimore, MD, Raspeburg Station, 21-174-R22, 10/8/2021                                  | 1                    | —                          | \$10,111             | \$10,111                        | —                 |
| Voyager Card, Transactions – Philadelphia, PA, Paschall Station, 21-230-R22, 12/13/2021                              | 1                    | —                          | \$7,640              | \$7,640                         | —                 |
| <b>Inspection Service, Information Technology &amp; Operations</b>   |                      |                            |                      |                                 |                   |
| <b>U.S. Postal Inspection Service</b>  |                      |                            |                      |                                 |                   |
| U.S. Postal Inspection Service Case Management of Arrests, 21-099-R22, 10/27/2021                                    | 1                    | —                          | \$36,285             | \$36,285                        | —                 |
| <b>Mission Operations</b>  |                      |                            |                      |                                 |                   |
| <b>Transportation</b>  |                      |                            |                      |                                 |                   |
| Air Mail Not Moving As Assigned, 21-130-R22, 3/2/2022  | 1                    | \$19,871,154               | \$19,871,154         | —                               | —                 |
| Trips Operating More Than Four Hours Late, 21-116-R22, 11/8/2021   | 1                    | \$8,400,541                | \$8,130,303          | —                               | —                 |
| <b>Retail, Delivery &amp; Marketing</b>  |                      |                            |                      |                                 |                   |
| <b>Delivery &amp; Retail Operations</b>  |                      |                            |                      |                                 |                   |
| City Delivery Operations – Nationwide Route Management, 21-127-R22, 2/17/2022  | 1                    | —                          | \$541,175,238        | \$541,175,238                   | —                 |
| <b>Supply Management &amp; Human Resources</b>   |                      |                            |                      |                                 |                   |
| <b>Human Resources and Support</b>   |                      |                            |                      |                                 |                   |
| Springfield, MO, Processing and Distribution Center Grievances, 21-124-R22, 10/22/2021                               | 1                    | \$9,390,012                | \$8,551,235          | —                               | —                 |
| Unscheduled Leave – Absence Without Leave (AWOL) Status, 21-140-R22, 1/7/2022  | 1                    | —                          | \$11,439,913         | \$11,439,913                    | —                 |
| <b>Total</b>   | <b>13</b>            | <b>\$37,661,707</b>        | <b>\$589,310,306</b> | <b>\$552,757,614</b>            | <b>\$63,661</b>   |

## APPENDIX A: Reports Issued to Postal Service Management

### Report Listing

Complete listing of all OIG reports issued to Postal Service management. For the period: October 1, 2021 — March 30, 2022

#### Field Operations

##### Field Operations Directorate 1

Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers, 21-222-R22, 12/10/2021

Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center, 21-237-R22, 12/16/2021

Efficiency of Operations at the Columbus, OH, Processing and Distribution Center, 22-041-R22, 3/25/2022

Mail Delivery, Customer Service, and Property Conditions Review – East City Annex, Columbus, OH, 22-044-R22, 3/16/2022

Mail Delivery, Customer Service, and Property Conditions Review – Lewis Center Main Post Office, Lewis Center, OH, 22-042-R22, 3/16/2022

Mail Delivery, Customer Service, and Property Conditions Review – South Columbus Station, Columbus, OH, 22-043-R22, 3/16/2022

##### Field Operations Directorate 2

Capping Report – Mail Delivery, Customer Service, and Property Conditions Review – Select Units Portland, OR Region, 22-001-R22, 3/22/2022

Efficiency of Operations at the Portland, OR, Processing and Distribution Center, 22-028-R22, 2/22/2022

Mail Delivery and Customer Service Operations – Ashford West and Westbury Stations, Houston, TX, 21-233-R22, 12/6/2021

Mail Delivery and Customer Service Operations – Select Baltimore Units, Baltimore, MD, 21-194-R22, 11/4/2021

Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV, 21-214-R22, 10/15/2021

Mail Delivery, Customer Service, and Property Conditions – Beaverton Main Post Office, Beaverton, OR, 22-031-R22, 2/8/2022

Mail Delivery, Customer Service, and Property Conditions – Piedmont Station, Portland, OR, 22-030-R22, 2/2/2022

Mail Delivery, Customer Service, and Property Conditions Review – Parkrose Station, Portland, OR, 22-029-R22, 2/2/2022

Mail Delivery, Customer Service, and Property Conditions Review – Vancouver Main Post Office, Vancouver, WA, 22-032-R22, 2/3/2022

Property Condition Review – San Francisco, CA, Processing and Distribution Center, 21-158-R22, 10/27/2021

Property Condition Reviews – Whitley City, Monticello, and West Somerset Post Offices in Kentucky, 21-227-R22, 11/18/2021

#### Finance and Pricing

##### Finance

Fiscal Year 2021 Officers' Travel and Representation Expenses, 21-094-R22, 2/18/2022

Fiscal Year 2021, Draft Form 10-K Financial Report for the Annual Period Ended September 30, 2021 Dated November 6, 2021, 22-013-R22, 11/8/2021

Fiscal Year 2022, Draft Form 10-Q Financial Report for the Quarterly Period Ended December 31, 2021 Dated February 1, 2022, 22-046-R22, 2/4/2022

Fiscal Year 2021 Board of Governors Expenditures, 21-100-R22, 2/25/2022

Fiscal Ye21 Selected Financial Activities and Accounting Records, 21-113-R22, 1/18/2022

Opinion on the U.S. Postal Service's Fiscal Year 2021 Reclassified Financial Statements, 21-203-R22, 11/15/2021

Payments to Contract Cleaners, 21-096-R22, 11/12/2021

Shipping Services Contract Compliance, 20-315-R22, 10/19/2021

##### Financial Controls

Fuel Expenses, Cash, Stamps, and Money Orders – Charlotte, NC, Ballantyne Station Post Office, 22-018-R22, 3/14/2022

Stamp Inventory, Financial Differences, and Voids – Panorama City, CA, Branch Office, 21-271-R22, 1/31/2022

Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices, Brooklyn, NY, 21-217-R22, 10/6/2021



## APPENDIX A: Reports Issued to Postal Service Management

Voyager Card Transactions – Acredale Station, Virginia Beach, Virginia, 21-241-R22, 2/11/2022

Voyager Card Transactions – Baltimore, MD, Raspeburg Station, 21-174-R22, 10/8/2021

Voyager Card, Transactions – Philadelphia, PA, Paschall Station, 21-230-R22, 12/13/2021

### Inspection Service, Information Technology & Operations

#### U.S. Postal Inspection Service

U.S. Postal Inspection Service Case Management of Arrests, 21-099-R22, 10/27/2021

U.S. Postal Inspection Service's Online Analytical Support Activities, 21-191-R22, 3/25/2022

#### Mission Operations

##### Network Processing

Deposit by Mail Controls at the U.S. Postal Service, 22-034-R22, 3/30/2022

Fiscal Year (FY) 2022 Peak Mailing Season Preparedness, 21-206-R22, 11/19/2021

##### Transportation

Air Mail Not Moving As Assigned, 21-130-R22, 3/2/2022

Efficiency of Surface Transfer Center in the Southern Region, 21-212-R22, 3/16/2022

Trips Operating More Than Four Hours Late, 21-116-R22, 11/8/2021

### Retail, Delivery & Marketing

#### Delivery & Retail Operations

City Delivery Operations – Nationwide Route Management, 21-127-R22, 2/17/2022

Replacement of Privately Owned Delivery Vehicles, 20-255-R22, 1/18/2022

#### Sales, Marketing & International

International Export Package Advanced Electronic Data, 21-266-R22, 12/2/2021

### RISC White Papers

#### Research Team 2

Electric Delivery Vehicles and the Postal Service, RISC-WP-22-003, 3/17/2022

The Truck Driver Shortage: Implications for the Postal Service, RISC-WP-22-002, 3/7/2022

Views of the Postal Service as an Employer, RISC-WP-22-001, 10/8/2021

#### Supply Management & Human Resources

##### Human Resources and Support

Springfield, MO, Processing and Distribution Center Grievances, 21-124-R22, 10/22/2021

Unscheduled Leave – Absence Without Leave (AWOL) Status, 21-140-R22, 1/7/2022

##### Supply Management & Facilities

Cost Audit of the Material Handling Systems, Inc. Parcel Sorting Machine Induction Vision Robot Production Price Proposal, 22-038-R22, 1/11/2022

Fiscal Year 2021 Decision Analysis Report Summary, 22-064-R22, 3/25/2022

Next Generation Delivery Vehicles – Contract Clauses, 21-215-R22, 1/12/2022

Sale of the East Hartford, CT Post Office, 21-208-R22, 10/15/2021

Ventilation and Filtration in Postal Service Facilities, 21-118-R22, 2/4/2022

## APPENDIX A: Reports Issued to Postal Service Management

### White Paper Listing

Complete listing of all OIG White Papers issued to Postal Service management. For the period: October 1, 2021 – March 31, 2022

#### Research and Insights Solution Center

Electric Delivery Vehicles and the Postal Service, RISC-WP-22-003, 3/17/2022

The Truck Driver Shortage: Implications for the Postal Service, RISC-WP-22-002, 3/7/2022

Views of the Postal Service as an Employer, RISC-WP-22-001, 10/8/2021

### Reports/Memoranda Issued During the Period but Were Not Disclosed to the Public

The Inspector General Empowerment Act of 2016 requires that the OIG report on each inspection, evaluation, and audit conducted by the office that is closed during the reporting period and was not disclosed to the public. During the current reporting period, OIG had four reports that were closed but not disclosed to the public.

#### Office of Audit

##### Review of Form 10-Q

The following letters are not publicly available as they are provided to the Board of Governors to assist them in determining whether to release the financial statements and disclosures, with the accompanying opinion, to the public.

*Fiscal Year 2021, Draft Form 10-K Financial Report for the Annual Period Ended September 30, 2021 Dated November 6, 2021, 22-013-R22, 11/8/2021*

*Fiscal Year 2022, Draft Form 10-Q Financial Report for the Quarterly Period Ended December 31, 2021 Dated February 1, 2022, 22-046-R22, 2/4/2022*

##### Review of Decision Analysis

The following reports are not publicly available due to USPS concerns with proprietary and commercially sensitive information that may be protected from disclosure under 39 USC 410(c)(2).

*Fiscal Year 2021 Decision Analysis Report Summary, 22-064-R22, 3/25/2022*

##### Contract Services

*Cost Audit of the Material Handling Systems, Inc. Parcel Sorting Machine Induction Vision Robot Production Price Proposal, 22-038-R22, 1/11/2022*

### Referrals to Postal Management

Referrals made during the reporting period to USPS management for action that did not warrant the OIG to investigate or conduct an audit: **901**

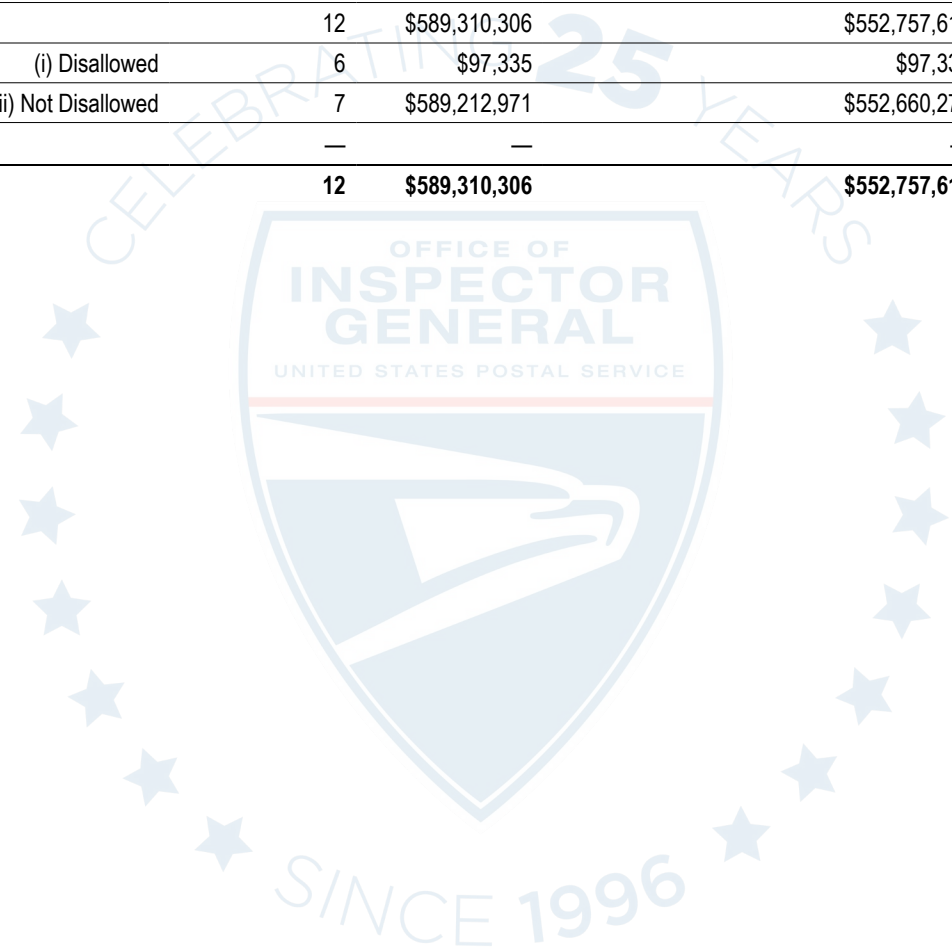
# APPENDIX B: Findings of Questioned Costs

For the Period: October 1, 2021 — March 31, 2022

As required by the IG Act, the following pages show the total number of audit reports and the total dollar value of questioned costs therein.

**Questioned Cost:** A cost that is unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, or contract.

| Description   | Disallowed/<br>Not Disallowed | Number of<br>Reports | Questioned<br>Costs  | Unsupported Costs Included in<br>Questioned Costs |
|---|-------------------------------|----------------------|----------------------|---|
| Reports for which no management decision was made at the beginning of the reporting period. |                               | —                    | —                    | —   |
| Reports issued during the reporting period.   |                               | 12                   | \$589,310,306        | \$552,757,614                                     |
| Reports for which a management decision was made during the reporting period (i+ii)         |                               | 12                   | \$589,310,306        | \$552,757,614                                     |
| Reports for which a management decision was made during the reporting period (i+ii)         | (i) Disallowed                | 6                    | \$97,335             | \$97,335  |
| Reports for which a management decision was made during the reporting period (i+ii)         | (ii) Not Disallowed           | 7                    | \$589,212,971        | \$552,660,279                                     |
| Reports for which no management decision was made by the end of the reporting period.       |                               | —                    | —                    | —   |
| <b>Total</b>  |                               | <b>12</b>            | <b>\$589,310,306</b> | <b>\$552,757,614</b>                              |





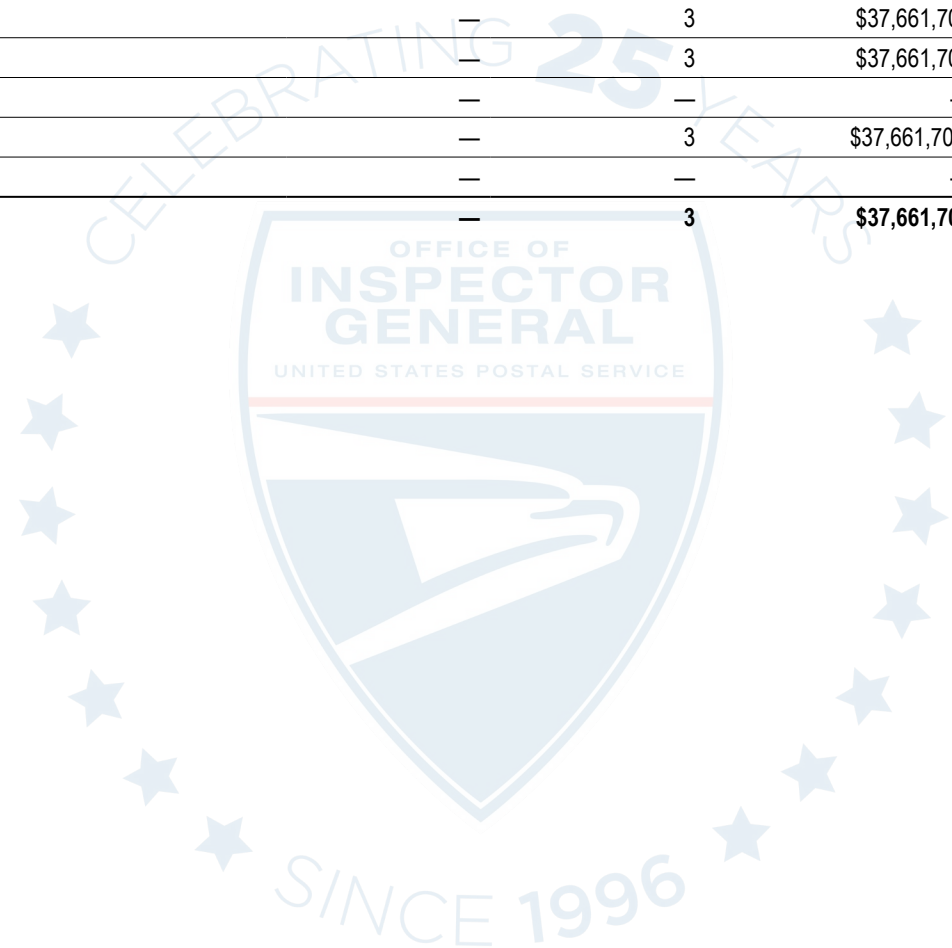
# APPENDIX C: Recommendations That Funds Be Put to Better Use

For the Period: October 1, 2021 — March 31, 2022

As required by the IG Act, the following pages show the total number of audit reports and the total dollar value of recommendations for funds that can be put to better use by management.

**Funds Put to Better Use:** Funds that could be used more efficiently by implementing recommended actions.

| Description   | Management Decision | Sum of Count | Sum of Dollar Value of FPTBU |
|---|---------------------|--------------|------------------------------|
| Reports for which no management decision was made in the beginning of the reporting period. | —                   | —            | —                            |
| Reports issued during the reporting period  | —                   | 3            | \$37,661,707                 |
| Reports for which a management decision was made during the reporting period (i+ii)         | —                   | 3            | \$37,661,707                 |
| (i) Recommendations that were agreed to by management                                       | —                   | —            | —                            |
| (ii) Recommendations that were not agreed to by management                                  | —                   | 3            | \$37,661,707.                |
| Reports for which no management decision was made by the end of the reporting period.       | —                   | —            | —                            |
| <b>Total</b>  | —                   | 3            | <b>\$37,661,707</b>          |



# APPENDIX D: Other Impacts

For the Period: October 1, 2021 — March 31, 2022

## Overview

Many of our Audit Reports identify areas for improvements that result in non-monetary benefits to the Postal Service. These benefits include improvements to service, protection of assets, and reliability of data.

| Description and Reports   | Number of Recommendations |
|---|---------------------------|
| <b>Assets or Accountable Items at Risk</b>  |                           |
| Voyager Card Transactions – Acredale Station, Virginia Beach, Virginia, 21-241-R22, 2/11/2022   | 1                         |
| Voyager Card Transactions – Baltimore, MD, Raspeburg Station, 21-174-R22, 10/8/2021   | 2                         |
| <b>Assets or Accountable Items at Risk Total</b>  | <b>3</b>                  |
| <b>Data Integrity</b>   |                           |
| Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers, 21-222-R22, 12/10/2021                    | 1                         |
| City Delivery Operations – Nationwide Route Management, 21-127-R22, 2/17/2022   | 1                         |
| Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center, 21-237-R22, 12/16/2021                                   | 1                         |
| Efficiency of Operations at the Columbus, OH, Processing and Distribution Center, 22-041-R22, 3/25/2022                                     | 1                         |
| Trips Operating More Than Four Hours Late, 21-116-R22, 11/8/2021  | 1                         |
| <b>Data Integrity Total</b>   | <b>5</b>                  |
| <b>Disbursement Risk</b>  |                           |
| Voyager Card Transactions – Acredale Station, Virginia Beach, Virginia, 21-241-R22, 2/11/2022   | 1                         |
| Voyager Card, Transactions – Philadelphia, PA, Paschall Station, 21-230-R22, 12/13/2021   | 2                         |
| <b>Disbursement Risk Total</b>  | <b>3</b>                  |
| <b>Goodwill Branding</b>  |                           |
| Capping Report – Mail Delivery, Customer Service, and Property Conditions Review – Select Units Portland, OR, Region, 22-001-R22, 3/22/2022 | 4                         |
| Deposit by Mail Controls at the U.S. Postal Service, 22-034-R22, 3/30/2022  | 1                         |
| Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center, 21-237-R22, 12/16/2021                                   | 1                         |
| Efficiency of Operations at the Columbus, OH, Processing and Distribution Center, 22-041-R22, 3/25/2022                                     | 1                         |
| Efficiency of Operations at the Portland, OR, Processing and Distribution Center, 22-028-R22, 2/22/2022                                     | 1                         |
| Mail Delivery and Customer Service Operations – Ashford West and Westbury Stations, Houston, TX, 21-233-R22, 12/6/2021                      | 3                         |
| Mail Delivery and Customer Service Operations – Select Baltimore Units, Baltimore, MD, 21-194-R22, 11/4/2021                                | 5                         |
| Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV, 21-214-R22, 10/15/2021                                      | 1                         |
| Property Condition Reviews – Whitley City, Monticello, and West Somerset Post Offices in Kentucky, 21-227-R22, 11/18/2021                   | 2                         |

## APPENDIX D: Other Impacts

| Description and Reports  | Number of Recommendations |
|--|---------------------------|
| U.S. Postal Inspection Service's Online Analytical Support Activities, 21-191-R22, 3/25/2022   | 1                         |
| <b>Goodwill Branding Total</b>   | <b>20</b>                 |
| <b>Improved Services</b>   |                           |
| Air Mail Not Moving As Assigned, 21-130-R22, 3/2/2022  | 1                         |
| Capping Report – Mail Delivery, Customer Service, and Property Conditions Review – Select Units Portland, OR Region, 22-001-R22, 3/22/2022 | 4                         |
| Efficiency of Operations at the Portland, OR, Processing and Distribution Center, 22-028-R22, 2/22/2022                                    | 1                         |
| Mail Delivery and Customer Service Operations – Ashford West and Westbury Stations, Houston, TX, 21-233-R22, 12/6/2021                     | 3                         |
| Mail Delivery and Customer Service Operations – Select Baltimore Units, Baltimore, MD, 21-194-R22, 11/4/2021                               | 7                         |
| Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV, 21-214-R22, 10/15/2021                                     | 1                         |
| Next Generation Delivery Vehicles – Contract Clauses, 21-215-R22, 1/12/2022  | 3                         |
| Trips Operating More Than Four Hours Late, 21-116-R22, 11/8/2021   | 1                         |
| <b>Improved Services Total</b>   | <b>21</b>                 |
| <b>Predicted Savings Shortfall</b>   |                           |
| Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers, 21-222-R22, 12/10/2021                   | 1                         |
| Replacement of Privately Owned Delivery Vehicles, 20-255-R22, 1/18/2022  | 1                         |
| <b>Predicted Savings Shortfall Total</b>   | <b>2</b>                  |
| <b>Safety and Security</b>   |                           |
| Deposit by Mail Controls at the U.S. Postal Service, 22-034-R22, 3/30/2022   | 1                         |
| Efficiency of Surface Transfer Center in the Southern Region, 21-212-R22, 3/16/2022  | 1                         |
| Mail Delivery and Customer Service Operations – Sunrise Station, Las Vegas, NV, 21-214-R22, 10/15/2021                                     | 3                         |
| Property Condition Review – San Francisco, CA, Processing and Distribution Center, 21-158-R22, 10/27/2021                                  | 4                         |
| Property Condition Reviews – Whitley City, Monticello, and West Somerset Post Offices in Kentucky, 21-227-R22, 11/18/2021                  | 3                         |
| <b>Safety and Security Total</b>   | <b>12</b>                 |
| <b>Total</b>   | <b>66</b>                 |

### Management did not agree with the impact recommendations in the following reports:

Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers, 21-222-R22, 12/10/2021

City Delivery Operations – Nationwide Route Management, 21-127-R22, 2/17/2022

Trips Operating More Than Four Hours Late, 21-116-R22, 11/8/2021



# APPENDIX E: Reports with Recommendations

## Pending Corrective Actions

For the period: October 1, 2021 — March 31, 2022

As required by the IG Act, as amended, the following pages include a list of outstanding unimplemented recommendations and the monetary impact of those recommendations.

| Report Number | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|---------------|------------|-----------------|---|
|               |            |                 | <b>Badges for Postal Service Contractors</b>  |
| HR-AR-15-004  | 3/6/2015   | —               | R-1 — Revise national policy to ensure responsible personnel develop comprehensive and uniform standard operating procedures to manage contractor badges, including procedures for issuing, tracking, and monitoring badges. TID: May 2022  |
|               |            |                 | <b>Substantial Increase in Delayed Mail</b>   |
| NO-MA-15-004  | 08/13/2015 |                 | R-4 — Establish criteria for determining if the network has stabilized and ensure the criteria are met prior to resuming the Phase II consolidations or conducting any other optimization efforts. TID: March 2022  |
|               |            |                 | <b>Privileged Account Management</b>  |
| IT-AR-17-003  | 04/05/2017 | —               | R-2 — Develop and continuously maintain a complete and accurate listing of privileged accounts for Postal Service systems. TID: September 2024  |
|               |            | —               | R-3 — Define business practices and responsibilities for monitoring privileged accounts and implement privileged access management tools. TID: September 2024   |
|               |            |                 | <b>Insider Threat Program</b>   |
| IT-AR-17-007  | 09/18/2017 | —               | R-1 — Continue to develop and fully implement an insider threat program for national security information in accordance with National Insider Threat Policy minimum standards. TID: March 2024  |
|               |            | —               | R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2024  |
|               |            |                 | <b>Use of Postal Service Network to Facilitate Illicit Drug Distribution</b>  |
| SAT-AR-18-002 | 09/28/2018 | —               | R-1 — Work with Congress to develop legislative changes that would result in the Postal Inspection Service being authorized to open and inspect domestic packages suspected of containing illicit drugs.  |
|               |            |                 | <b>Military and Diplomatic Mail Service</b>   |
| MS-AR-19-003  | 07/31/2019 | —               | R-4 — Work with military stakeholders to update Publication 38, <i>Postal Agreement with the Department of Defense</i> , and with military and diplomatic stakeholders to update the operating plan related to military and diplomatic mail at the Chicago International Military Service Center. TID: March 2022 |
|               |            |                 | <b>Nationwide Employee Background Screening</b>   |
| HR-AR-19-003  | 08/22/2019 | —               | R-4 — Implement a review process to ensure that district Human Resources officials are validating that Certificates of Completion are in employees' electronic Official Personnel Folders. TID: September 2022  |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number     | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date  |
|-------------------|------------|-----------------|--|
| NO-AR-19-006      | 09/09/2019 | —               | <b>U.S. Postal Service Processing Network Optimization</b><br>R-3 — Revise and update Area Mail Processing feasibility studies to determine whether cost savings could be realized, and consolidations should continue. TID: March 2022  |
| NL-AR-19-004      | 09/27/2019 | —               | <b>Postal Service Dynamic Route Optimization and Cost Savings Initiative</b><br>R-5 — Develop an automated payment process to ensure suppliers are paid consistently, accurately, and timely. TID: September 2022  |
| 19SMG006HR000-R20 | 10/24/2019 | \$81,319,892    | <b>Custodial Workhours</b><br>R-1 — Develop and implement a strategy to address hiring and staffing challenges for custodial positions at facilities subject to the Memorandum of Understanding between the United States Postal Service and the American Postal Workers Union (Maintenance Series-47 Transmittal Letter-5 Implementation and Maintenance Craft Postal Support Employee Conversions, signed July 9, 2014). TID: September 2022   |
| 19SMG010HR000-R20 | 03/18/2020 | —               | <b>U.S. Postal Service: First-Line Supervisors Resources</b><br>R-5 — Update current first-line supervisor job responsibilities and qualifications and develop a review process to include frequencies for conducting periodic reviews and updates. TID: March 2022.   |
| 19-040-R20        | 08/17/2020 | —               | <b>U.S. Postal Service Mail Recovery Center</b><br>R-7 — Establish and implement processes to maintain an accurate physical inventory and conduct periodic reviews. TID: June 2022.  |
| 19-017-R20        | 08/17/2020 | —               | <b>Controls Over Purchasing and Maintaining Information Technology Equipment</b><br>R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2022.<br>R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2022.   |
| 20-225-R20        | 08/20/2020 | —               | <b>Processing Readiness of Election and Political Mail During the 2020 General Elections</b><br>R-1 — Leverage established partnerships with state and local election officials to work toward creating a separate, simplified mail product exclusively for Election Mail that would support uniform mail processing, including mandatory mailpiece tracking and proper mailpiece design. Until this new product is developed, continue to prioritize the processing of election mail consistent with past practices. TID: September 2021. |
| 20-209-R20        | 08/25/2020 | —               | <b>Assessment of Overtime Activity</b><br>R-3 — Implement a process to collect and monitor data that identifies the reasons for overtime use to better manage and control overtime costs. TID: September 2021.   |
| 19-033-R20        | 8/31/20    | —               | <b>Arrow Key Management Controls</b><br>R-3 — Evaluate technology solutions and take appropriate action to reduce risks associated with lost or stolen arrow keys and enhance the security of mail receptacles. TID: February 2022.  |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|---------------|------------|-----------------|---|
|               |            |                 | <b>Recovery for Private Party Damage to Postal Service Vehicles</b>   |
| 20-177-R20    | 09/10/2020 | —               | R-1 — Coordinate with the National Tort Center to provide district Tort Claim Coordinators training on accident recovery settlements and related processes. TID: April 2022.  |
|               |            | \$210,150       | R-2 — Coordinate with the National Tort Center to update Postal Service policy to require periodic management review of recoveries for private party damages to Postal Service vehicles. TID: April 2022.   |
|               |            | —               | R-3 — Coordinate with the National Tort Center to evaluate the Tort Claim Coordinator reporting structure and identify changes to enhance the effectiveness of the structure, which could include transferring supervisory oversight of the district Tort Claim Coordinator function, duties, and responsibilities to the National Tort Center. TID: April 2022.                |
|               |            | —               | R-4 — Reinforce requirements to complete and submit required accident investigation forms and documentation to Tort Claim Coordinators within established timeframes. TID: April 2022.  |
|               |            | —               | R-5 — Reinforce the importance of recording accurate and updated information in the Tort Claims System. TID: April 2022.  |
|               |            | —               | R-6 — Coordinate with the National Tort Center to evaluate the implementation of automated controls in the Tort Claim System to: (1) require data in essential fields such as the “Employee Action” and “Employee Health and Safety Number” and (2) require alerts when cases have exceeded reasonable time thresholds without a file or demand status change. TID: April 2022. |
|               |            |                 | <b>Payments to Injured Employees</b>  |
| 20-156-R20    | 09/30/2020 | \$37,213        | R-2 — Enhance the Enterprise Management Resource System and the Time and Attendance Collection System, respectively, to automatically calculate days of continuation of pay per employee and limit supervisor’s ability to enter continuation of pay hours when the 45-day limit is reached. TID: June 2022.  |
|               |            |                 | <b>Timecard Administration</b>  |
| 20-180-R21    | 12/09/2020 | —               | R-3 — Procure and test new, automated time collection devices for the Postal Service to implement throughout its facilities. TID: May 2023.   |
|               |            |                 | <b>Accenture Information Technology Contracts</b>   |
| 20-076-R21    | 12/29/2020 | —               | R-2 — Update the Supplying Principles and Practices to require an evaluation of the cost management plan as part of the noncompetitive purchase request process before approving contract ceiling price increases and to require contracting officers complete training on the policy requirements for the cost management plan. TID: July 2022.                                |
|               |            |                 | <b>Payments to Contract Postal Unit and Village Post Office Suppliers</b>   |
| 20-157-R21    | 02/19/2021 | —               | R-2 — Streamline contract termination procedures by implementing systems enhancements, such as automating approval signatures and generating system or email notifications to next approvers. TID: August 2022.   |
|               |            |                 | <b>Impact of Pandemic on Postal Service Finances</b>  |
| 20-257-R21    | 03/29/2021 | —               | R-1 — Develop specific policies and procedures to ensure expenses are consistently documented, validated, and tracked for unanticipated crisis or catastrophic events. TID: March 2022.   |
|               |            |                 | <b>Uncompensated and Undercompensated Services</b>  |
| 20-208-R21    | 04/05/2021 | \$219,519,981   | R-2 — Evaluate opportunities to adjust provisions involving business customers to ensure only services paid for are provided. TID: December 2021.   |



## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number  | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|--|------------|-----------------|---|
| <b>Scheduled Hours and Payments for Highway Contract Routes</b>              |            |                 |   |
| 20-295-R21   | 05/05/2021 | \$1,813,596     | R-3 — Develop a plan to review the accuracy of previously approved scheduled trips to identify and correct day count errors in the Service Change Request system, determine actual overpayments, initiate recovery, and maintain all supporting documentation in either the Transportation Contract Support System or Transportation Management System. |
| <b>Integrity of the U.S. Postal Service's Social Media Presence</b>          |            |                 |   |
| 20-278-R21   | 05/12/2021 | —               | R-3 — Establish an effective social media account approval process and document social media account management procedures. TID: December 2021.   |
|  |            | —               | R-5 — Develop a process to ensure employees are informed of the social media account establishment policy. TID: October 2021.   |
| <b>Delayed Mail at the Santa Ana, CA, Processing and Distribution Center</b> |            |                 |   |
| 21-119-R21   | 05/24/2021 | —               | R-1 — Require plant management to follow designed mail flows and use appropriate sort plans to ensure accurate reporting of delayed mail. TID: March 2022.  |
|  |            | —               | R-2 — Develop a plan to assist plant management with evaluating expected processing operation scans to determine if mail is not processed timely and causing the Mail Condition Visualization application to report the mail as delayed inventory. TID: March 2022.   |
|  |            | —               | R-3 — Develop a plan to assist plant management with understanding how delayed inventory is calculated and how to analyze the Mail Condition Visualization data to identify causes for delayed inventory. TID: March 2022.  |
| <b>COVID-19 Leave Administration</b>   |            |                 |   |
| 21-032-R21   | 06/16/2021 | —               | R-2 — Modify the system to allow for all employees to digitally complete Postal Service Form 3971, Request for Notification of Absence. TID: September 2023.  |
|  |            | —               | R-3 — Modify the payroll systems or develop another methodology for accurate recording of administrative leave for rural carriers. TID: September 2023.   |
| <b>Contract Delivery Service Cost Attribution</b>                            |            |                 |   |
| 20-313-R21   | 06/21/2021 | —               | R-1 — Reevaluate the cost proportion percentages used to estimate accrued contract delivery service (CDS) costs; assess the feasibility of using actual CDS payment data to calculate volume variable costs; and, if deemed appropriate, submit a proposal to the Postal Regulatory Commission to update the costing methodology. TID: May 2022.        |
|  |            | —               | R-2 — Conduct a study to determine whether similar mail volumes are delivered on contract delivery service (CDS) and rural routes; and, based on the results of that study, submit a proposal to the Postal Regulatory Commission to update distribution keys used to attribute CDS costs, if deemed appropriate. TID: May 2022.                        |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number   | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date  |
|---|------------|-----------------|--|
| <b>City Carrier Cost System</b>   |            |                 |  |
| 21-036-R21  | 07/14/2021 | —               | R-3 — Reiterate to data collection technicians the importance of communicating with the city carrier to confirm the deviation status of each sampled parcel and whether the city carrier plans to deliver all parcels and accountable mail on the test date. In addition, we recommend they evaluate whether delivery scan data can be used to determine if any sampled parcels should be excluded from the test data due to missing delivery attempts on the test date. TID: July 2022. |
|   |            | —               | R-4 — Develop online training and/or instructional materials that provide comprehensive guidance to postmasters or their designees on how to properly complete PS Form 2846, City Carrier Route Mail Acceptance Data. In addition, consider developing a web-based form with guided prompts and instructions to replace manual entry of PS Form 2846 information. TID: July 2022.  |
| <b>“As Needed” Highway Contract Routes</b>  |            |                 |  |
| 21-022-R21  | 07/16/2021 | \$162,338,091   | R-1 — Develop and implement periodic reviews to ensure timely detection and correction of payment errors and verify that Postal Service Forms 5397, Contract Route Extra Trip Authorization, are complete, accurate, and included in the electronic Service Change Request system. TID: May 2022.  |
| <b>Online Priority Mail Express Refunds</b>   |            |                 |  |
|   |            | —               | R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2022.  |
| 20-268-R21  | 07/20/2021 | —               | R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2022.  |
|   |            | —               | R-4 — Incorporate a schedule to verify all acceptance and possession scans are entered into the Product Tracking and Reporting system prior to determining eligibility of refunds and enhance relevant systems to properly evaluate mailings to verify that they are eligible for refunds. TID: March 2022.  |
| <b>The Postal Service's Secure Destruction Program</b>                                |            |                 |  |
| 21-025-R21  | 07/23/2021 | —               | R-5 — Develop a comprehensive strategy for marketing and promoting the Secure Destruction program to potential new participants. TID: July 2022.   |
| <b>Contract Invoice Payment Process</b>   |            |                 |  |
|   |            | \$2,221,712     | R-2 — Reiterate requirements for contracting officers to verify that prospective contracting officer's representatives completed required training and to issue appointment letters. TID: June 2022.   |
| 20-281-R21  | 07/29/2021 | —               | R-3 — Establish and implement refresher contracting officer's representative training requirements. TID: June 2022.  |
|   |            | —               | R-4 — Update the Commodity-Specific Practices for Design and Construction Purchasing in the Supplying Principles & Practices to reflect current procedures and references. TID: December 2022.   |
| <b>Vehicle, Fuel, and Oil Expenses – Woodlawn Station Post Office, Birmingham, AL</b> |            |                 |  |
|   |            | —               | R-1 — Provide oversight and train unit management on policies and procedures associated with recurring vehicle expenses. TID: March 2022.  |
| 21-148-R21  | 07/30/2021 | \$47,553        | R-2 — Train unit management on daily closeout procedures, including processing local fuel purchase reimbursements, supporting documentation, and use of Postal Service forms. TID: March 2022.   |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number  | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|--|------------|-----------------|---|
| <b>Passport Application Acceptance Operations</b>                            |            |                 |   |
| 21-056-R21   | 08/09/2021 | —               | R-1 — Consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments. TID: August 2022.  |
|  |            | —               | R-2 — Reinforce procedures to record the correct appointment outcome in the <i>My Post Office</i> application until an automated system interface is established. TID: March 2022.  |
|  |            | —               | R-3 — Coordinate with State Department stakeholders to explore opportunities for sharing information that could improve passport operations. TID: March 2022.   |
|  |            | —               | R-4 — Enhance performance metrics to include clearly defined measures and goals to better evaluate program performance and drive growth. TID: March 2022.   |
| <b>Capital Equipment at the Eagan Information Technology Center</b>          |            |                 |   |
| 21-059-R21   | 08/10/2021 | —               | R-3 — Implement a process to ensure that records for capital assets at the Eagan Information Technology Center are accurately entered and maintained in the Solution for Enterprise Asset Management system and the Asset Inventory Management System including clear designations of the status of equipment items. TID: March 2023. |
| <b>Plant Load Agreements – New Jersey District</b>                           |            |                 |   |
| 21-049-R21   | 08/12/2021 | \$168,884       | R-1 — Develop procedures for monitoring mail volume, weight, and preparation performance in accordance with requirements set forth in the plant load agreements. TID: June 2022.  |
| <b>Processing Selected Resignation and Reassignment Personnel Actions</b>    |            |                 |   |
| 21-070-R21   | 08/18/2021 | —               | R-2 — Update training to include the comprehensive timeline of personnel actions processing and documentation requirements, and provide to all Postal Service personnel responsible for submitting personnel actions. TID: June 2022.   |
|  |            | —               | R-3 — Monitor data regarding the timeliness of personnel actions processing including the causes of late submissions, and address issues identified. TID: June 2022.  |
| <b>U.S. Postal Inspection Service Oversight of its Use of Cryptocurrency</b> |            |                 |   |
| 21-067-R21   | 08/26/2021 | —               | R-1 — Ensure that the Cryptocurrency Fund Program has the information needed to provide oversight of the investigative use of cryptocurrency. TID: August 2022.   |
|  |            | —               | R-3 — Develop a comprehensive cryptocurrency training program. TID: June 2022.  |
| <b>Accident Reporting</b>  |            |                 |   |
| 21-015-R21   | 08/27/2021 | \$28,237,887    | R-3 — Identify a solution to interface or reconcile the Employee Health and Safety application's accident identification numbers with the Solution for Enterprise Asset Management application to ensure all motor vehicle accidents are properly reported in both systems. TID: July 2022.   |
|  |            | —               | R-5 — Implement an automated reconciliation process between data from Department of Labor's Employee Compensation Operations and Management Portal and the Postal Service's Employee Health and Safety (EHS) system, to ensure all personal injury industrial accidents are properly recorded in EHS. TID: September 2022.            |



## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number   | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|---|------------|-----------------|---|
| <b>Manually Adjudicated Indemnity Claim Payments</b>                  |            |                 |   |
| 20-129-R21  | 08/30/2021 | \$2,041,061     | R-1 — Update and communicate manually adjudicated international indemnity claim processing policy to ensure it aligns with the Product Tracking and Reporting System and the International Inquiry Claims System. TID: April 2022.                                    |
|   |            | —               | R-2 — Modify the International Inquiry Claims System as appropriate based on updated policy to capture and maintain declared value information for processing international indemnity claims. TID: July 2022.   |
|   |            | —               | R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: July 2022.  |
|   |            | —               | R-4 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: April 2022.   |
| <b>U.S. Postal Service's Protection Against External Cyberattacks</b> |            |                 |   |
| 20-277-R21  | 08/31/2021 | —               | R-1 — Implement a consistent process to approve and update the access management system for all employees excluded from mandatory security awareness training and update information security policy to reflect the process. TID: June 2022.                          |
|   |            | —               | R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: July 2022.  |
|   |            | —               | R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2022.  |
|   |            | —               | R-4 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: July 2022.  |
| <b>Vehicle Parts Pricing</b>  |            |                 |   |
| 21-020-R21  | 09/02/2021 | —               | R-3 — Perform an annual review of the consignment vehicle parts for these agreements to evaluate the quality and availability of parts provided by the suppliers to assist Vehicle Maintenance Facilities in obtaining the most cost-efficient parts. TID: July 2022. |
| <b>Noncompetitive Contracts</b>                                       |            |                 |   |
| 21-019-R21  | 09/09/2021 | —               | R-1 — Review the policy for publicizing noncompetitive contracts of over \$1 million and modify it to provide clarity for its intent and application. TID: August 2022.   |
|   |            | —               | R-5 — Update Management Instruction SPS2-2015,1, <i>Noncompetitive Purchases</i> , to provide more specific guidance to assist internal business partners in completing and fully supporting documentation submitted to the contracting officer. TID: August 2022.    |
| <b>Security Assessment of [Redacted]</b>                              |            |                 |   |
| 20-286-R21  | 09/09/2021 | —               | R-3 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: July 2022.  |
|   |            | —               | R-5 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: July 2022.  |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number  | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date  |
|--|------------|-----------------|--|
| <b>Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services</b> |            |                 |  |
| 21-201-R21   | 09/16/2021 | —               | R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.   |
|  |            | —               | R-2 — Confirm that transportation schedules are aligned to the volume arrival profiles for the 13 Postal Service facilities that are serviced by the Los Angeles Terminal Handling Services supplier, and tender mail as planned to the supplier. TID: September 2021.   |
|  |            | —               | R-3 — Provide proper oversight to ensure the Los Angeles Terminal Handling Services supplier is separating the mail properly to the assigned carrier, as outlined in the contract, and document and communicate commercial mailer irregularities. TID: March 2022.   |
|  |            | —               | R-4 — Reinforce the importance of correctly routing mail and using the assigned transportation according to Postal Service policy, and develop a formal communication plan to inform facilities when mail is misrouted.  |
|  |            | —               | R-5 — Develop and implement a formal process to hold the Terminal Handling Services supplier accountable for notifying Postal Service management when mail is misrouted and documenting the resolution in accordance with the terms of the contract. TID: March 2022.  |
| <b>Nationwide Service Performance</b>  |            |                 |  |
| 21-120-R21   | 09/20/2021 | —               | R-1 — Reemphasize the need for discussions among local processing, transportation, and delivery management components to communicate projected volumes and previous day's issues to proactively manage mail flow operations.   |
|  |            | —               | R-2 — Investigate and understand root causes for failed mailpieces in "Unable to Assign" category, and work to decrease and maintain the total number of mailpieces in this category to under 10 percent of total failures.  |
| <b>1-800-ASK-USPS: The Postal Service's Interactive Voice Response System</b>        |            |                 |  |
| RISC-WP-21-010   | 09/21/2021 | —               | R-1 — Enhance current Interactive Voice Response system performance metrics by including metrics for the rate of complete, contained calls and the rate of incomplete, abandoned calls. TID: December 2022.  |
| <b>Manual Mail Processing Efficiency</b>   |            |                 |  |
| 21-131-R21   | 09/21/2021 | —               | R-1 — Direct facility management to review Postal Service productivity data and use it as a tool to monitor efficiency in manual operations as required by Postal Service policy and procedures. TID: June 2022.   |
|  |            | —               | R-2 — Evaluate current productivity targets for manual operations, properly align them with performance, and communicate those targets to facility management and employees. TID: June 2022.   |
|  |            | \$395,585,002   | R-3 — Communicate to employees the importance of changing operations on the time clock and of scanning all packages; Place time clocks in areas that are easily accessible and monitor changes daily; Monitor manual package processing operations routinely; Update manual letter and flat volume estimates yearly. |
| <b>Fiscal Year 2020 Board of Governors' Expenditures</b>                             |            |                 |  |
| 21-064-R21   | 09/22/2021 | —               | R-1 — Develop and provide training and formal communication to all purchasing teams on policies and procedures, including required file documentation, for sensitive requests. TID: April 2022.  |
|  |            | \$2,826         | R-2 — Implement a process to ensure the Office of the Board's contracting officer's representatives administer all contract-related arrangements and certify invoices in accordance with established supply management policies and contract terms. TID: April 2022.   |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number  | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date  |
|--|------------|-----------------|--|
| <b>Seamless Acceptance Mail Quality Processes</b>  |            |                 |  |
| 21-098-R21   | 09/29/2021 | —               | R-2 — Assess the appropriateness of corresponding error thresholds for Nesting/Sortation verification on mail processing equipment. TID: March 2022.   |
|  |            | —               | R-6 — Identify and communicate common issues and error types that result in a high rate of overturned assessments to improve the assessment process and ensure errors are accurately assessed the first time. TID: March 2022.   |
| <b>Shipping Services Contract Compliance</b>   |            |                 |  |
| 20-315-R22   | 10/19/2021 | —               | R-2 — Monitor the customer’s packaging of mail to ensure required mailing standards are followed. TID: September 2022.   |
|  |            | —               | R-3 — Develop a mechanism for facilities personnel to report issues and concerns regarding mail packaging from the customer. TID: September 2022.  |
|  |            | —               | R-6 — Consider evaluating the volume quarterly and modifying the pricing structure; and including terms and conditions to ensure the customer achieves yearly volume commitments in future contracts. TID: April 2022.   |
| <b>U.S. Postal Inspection Service Case Management of Arrests</b>                             |            |                 |  |
| 21-099-R22   | 10/27/2021 | \$36,285        | R-1 — Create a process to ensure case documentation requirements, including those needed to support the type arrests claimed, are enforced. TID: June 2022.  |
| <b>Mail Delivery and Customer Service Operations – Select Baltimore Units, Baltimore, MD</b> |            |                 |  |
| 21-194-R22   | 11/04/2021 | —               | R-5 — Develop and implement a plan to ensure all delayed mail is reported daily in the Customer Service Daily Reporting System and monitor for accuracy. This plan should include providing training to the employees responsible for reporting delayed mail. TID: November 2021.  |
|  |            | —               | R-7 — Develop and implement a plan to monitor and ensure compliance with package scanning and handling procedures. TID: November 2021.   |
| <b>Trips Operating More Than Four Hours Late</b>   |            |                 |  |
| 21-116-R22   | 11/08/2021 | —               | R-4 — Consider updating contracts to allow for the assessment of liquidated damages to Highway Contract Route suppliers for critically late trips. TID: June 2022.   |
|  |            | \$16,530,844    | R-5 — Verify that Highway Contract Route trips that are routinely critically late are aligned with Postal Service operations and adjust the schedules as needed.   |
| <b>Payments to Contract Cleaners</b>   |            |                 |  |
| 21-096-R22   | 11/12/2021 | \$23,428        | R-1 — Update and clarify local cleaning polices to include implementing guidelines for specific field situations; and communicate the updated policies and guidelines to postmasters at least annually, given the movement of personnel within the postmaster category. TID: June 2022.  |
|  |            | —               | R-2 — Direct postmasters to review and comply with policy requirements for access codes and keyed locks. TID: March 2022.  |
|  |            | —               | R-3 — Update and communicate policies and procedures for processing and paying contract cleaner invoices, to include validating the performance of contractor custodial services under Category Management Center issued orders, and procedures for postmasters or officers-in-charge to report missed service days. TID: June 2022. |



## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number   | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date  |
|---|------------|-----------------|--|
| <b>Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers</b> |            |                 |  |
| 21-222-R22  | 12/10/2021 | —               | R-1 — Provide additional training to management with an emphasis on how local processing management should use Mail Condition Visualization reports to identify root causes for delayed inventory to provide a more accurate representation of mail conditions at the facility.  |
|   |            | —               | R-2 — Develop supplemental guidance for local management reiterating that mail should be finalized on a last processing operation.   |
|   |            | —               | R-3 — Coordinate with management to determine if Content Identification Number codes need to be changed or added for situations where the designed mail flow does not correctly finalize mail that is not processed on a last processing operation, so that mail is not counted as delayed inventory.  |
| <b>Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center</b>                |            |                 |  |
| 21-237-R22  | 12/16/2021 | —               | R-1 — Fill Manager of Distribution Operations and Supervisor of Distribution Operations vacancies at the Baltimore Processing and Distribution Center according to authorized complement. TID: April 2022.   |
|   |            | —               | R-3 — Prioritize and track the replacement of the tray management system at the Baltimore Processing and Distribution Center to ensure it is replaced according to the current schedule.   |
| <b>Unscheduled Leave – Absence Without Leave (AWOL) Status</b>  |            |                 |  |
| 21-140-R22  | 01/07/2022 | —               | R-2 — Review disciplinary guidance and templates related to absence without leave employees on each district's website to ensure consistency and, as appropriate, update and communicate guidance. TID: July 2022.   |
|   |            | —               | R-3 — Provide regularly updated Enterprise Resource Management System and discipline training for managers and supervisors to facilitate management of absence without leave employees. TID: October 2022.   |
|   |            | \$11,439,913    | R-4 — Reiterate management responsibilities to ensure managers and supervisors complete, timely review, and maintain absence without leave employee attendance reviews; Postal Service (PS) Form 3971, Request for or Notification of Absence; PS Form 3972, Absence Analysis; and other required supporting documentation. TID: April 2022. |
|   |            | —               | R-6 — Develop a process to verify all appropriate absence without leave employees' disciplinary and health benefits documentation are timely reviewed and uploaded when sent to their electronic official personnel folder. TID: April 2022.   |
| <b>Next Generation Delivery Vehicles – Contract Clauses</b>   |            |                 |  |
| 21-215-R22  | 01/12/2022 | —               | R-1 — Include self-reporting of fraud protection in the Next Generation Delivery Vehicle contract through a mutual agreement contract modification. TID: May 2022.   |
|   |            | —               | R-2 — Provide and validate that posters advertising the U.S. Postal Service Office of Inspector General Hotline are displayed at the Next Generation Delivery Vehicle supplier facilities through a mutual agreement contract modification. TID: May 2022.   |
|   |            | —               | R-3 — Develop a contract clause to include in applicable future contracts that requires suppliers self-reporting of fraud and advertising of the U.S. Postal Service Office of Inspector General Hotline on suppliers premises. TID: December 2022.  |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|---------------|------------|-----------------|---|
|               |            |                 | <b>Replacement of Privately Owned Delivery Vehicles</b>   |
| 20-255-R22    | 01/18/2022 | —               | R-1 — Develop and issue written guidance that establishes expected timeframes for new vehicle deployment and utilization on rural routes. TID: March 2022.  |
|               |            | —               | R-2 — Analyze and include the potential financial impact associated with rural route conversions that would not result in cost savings for consideration in future Decision Analysis Reports for vehicle acquisition. TID: February 2023. |
|               |            |                 | <b>Stamp Inventory, Financial Differences, and Voids – Panorama City, CA, Branch Office</b>   |
| 21-271-R22    | 01/31/2022 | —               | R-1 — Train unit management on policies and procedures relating to proper handling of cash and stamp inventory. TID: April 2022.  |
|               |            | —               | R-2 — Resolve issues with printing postage validation imprinter labels. TID: April 2022.  |
|               |            |                 | <b>Ventilation and Filtration in Postal Service Facilities</b>  |
| 21-118-R22    | 02/04/2022 | —               | R-1 — Review and revise the communication structure to send updated ventilation and filtration related guidance, recommendations, and responsibilities directly to postmasters. TID: November 2022.                                       |
|               |            | —               | R-2 — Implement an oversight process to manage and monitor the maintenance of ventilation and filtration equipment. TID: November 2022.   |
|               |            | —               | R-3 — Update and maintain a current inventory of ventilation and filtration equipment. TID: November 2022.  |
|               |            |                 | <b>Voyager Card Transactions – Acredale Station, Virginia Beach, Virginia</b>   |
| 21-241-R22    | 02/11/2022 | —               | R-1 — Instruct management at Acredale Station responsible for managing Voyager cards Personal Identification Numbers to complete eFleet Card for Site Manager Training and Voyager Fleet Command Online Training. TID: March 2022.        |
|               |            | —               | R-2 — Instruct management at Acredale Station to conduct semiannual driver certifications. TID: June 2022.  |
|               |            |                 | <b>City Delivery Operations – Nationwide Route Management</b>   |
|               |            | —               | R-1 — Develop a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed.                  |
| 21-127-R22    | 02/17/2022 | \$541,175,238   | R-2 — Evaluate using alternative methodologies, rather than the five or six consecutive days of a routes' mail volume, to maintain the 8-hour workday and how to account for letter and flat mail base volume.                            |
|               |            | —               | R-3 — Develop an oversight process to monitor and confirm delivery unit management resolve errors in the Time and Attendance Collection System timely to ensure route workhours are accurate.   |
|               |            | —               | R-4 — Evaluate the feasibility of replacing manual route evaluation activities with existing delivery systems, data, tools, and technology.   |
|               |            |                 | <b>Fiscal Year 2021 Officers' Travel and Representation Expenses</b>  |
| 21-094-R22    | 02/18/2022 | —               | R-1 — Enhance controls to ensure management captures taxable reimbursements for employees on temporary assignment, including contract employees, and reports them to the Internal Revenue Service. TID: August 2022.                      |
|               |            |                 | <b>Efficiency of Operations at the Portland, OR, Processing and Distribution Center</b>   |
| 22-028-R22    | 02/22/2022 | —               | R-1 — Identify and implement additional strategies to increase the number of postal vehicle service drivers at the Portland, OR, Processing and Distribution Center. TID: April 2022.   |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number  | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|--|------------|-----------------|---|
| <b>Air Mail Not Moving As Assigned</b>   |            |                 |   |
| 21-130-R22   | 03/02/2022 | \$34,196,824    | R-1 — Reinforce procedures for mail processing personnel to ensure they are following the terminal handling services requirements for routing mail on the correct network and hub. TID: May 2022.   |
|  |            | —               | R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.  |
|  |            | —               | R-3 — Reinforce the requirement for Postal Service liaisons conducting the monthly Delegates Assigned to Generate Growth and Evaluate Resolutions meetings to address ongoing terminal handling service issues and consult headquarters to identify potential resolutions for implementation. TID: March 2022.                                      |
|  |            | —               | R-4 — Consider implementing – as applicable at mail processing facilities – best practices that may include displaying updated dispatch and routing signage and daily container quality checks.   |
| <b>Fuel Expenses, Cash, Stamps, and Money Orders – Charlotte, NC, Ballantyne Station Post Office</b> |            |                 |   |
| 22-018-R22   | 03/14/2022 | \$14,283        | R-1 — Train unit management at the Ballantyne Station Post Office on policies and procedures relating to Voyager cards, including proper use of Account Identifier Code 594, Vehicle Supplies Expense, and the reimbursement of these expenses. TID: April 2022.  |
|  |            | —               | R-2 — Verify the number of vehicles assigned to the Ballantyne Station Post Office and ensure the unit has the proper number of Voyager cards. TID: April 2022.   |
|  |            | \$8,843         | R-3 — Reiterate to all personnel performing daily closeout activities at the Ballantyne Station Post Office the requirement to review and retain all supporting documentation relating to fuel purchases and local disbursements. TID: April 2022.  |
|  |            | —               | R-4 — Train all responsible personnel regarding policies and procedures relating to proper handling of stamp, cash, money order, and voyager card inventory to unit personnel. TID: April 2022.   |
|  |            | —               | R-5 — Reiterate to all applicable personnel the requirements to maintain appropriate records and monitor timely and proper resolution. TID: April 2022.   |
| <b>Efficiency of Surface Transfer Center in the Southern Region</b>                                  |            |                 |   |
| 21-212-R22   | 03/16/2022 | —               | R-1 — Reinforce the Mail Transport Equipment Labeler policy to ensure mail is dispatched with correct routing information. TID: April 2022.   |
|  |            | —               | R-2 — Reinforce the requirements to ensure that transportation routing information is current, accurate, and complete, in transportation systems. TID: April 2022.  |
|  |            | —               | R-3 — Reinforce the responsibility of Surface Transfer Center Coordinators to notify management responsible for Customer Supplier Agreements when mailers do not comply with their agreed upon mail separations.  |
|  |            | —               | R-4 — Develop and implement periodic reviews to ensure Administrative Officials follow and enforce the security screening policy and issuance of identification badges for all Highway Contract Route personnel. TID: April 2022.   |
|  |            | —               | R-5 — Reiterate through formal communication to Surface Transfer Center personnel the requirement for accurately recording driver information in Surface Visibility and using the irregularity reporting process to notify Administrative Officials when Highway Contract Route drivers do not have Postal Service issued identification or badges. |



## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number  | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date  |
|--|------------|-----------------|--|
| <b>Capping Report – Mail Delivery, Customer Service, and Property Conditions Review – Select Units Portland, OR Region</b> |            |                 |  |
| 22-001-R22   | 03/22/2022 | —               | R-1 — Develop and execute a plan to ensure that employees at the Beaverton Main Post Office and the Parkrose and Piedmont Stations follow standard operating procedures for package scanning and handling, and that unit management systematically reviews scan data and enforces compliance. TID: September 2022. |
|  |            | —               | R-2 — Develop and execute a plan to ensure that employees at the Vancouver Main Post Office follow standard operating procedures for package scanning and handling and that unit management systematically reviews scan data and enforces compliance. TID: March 2022.   |
|  |            | —               | R-3 — Develop and execute a plan to ensure management at the Beaverton Main Post Office and the Parkrose and Piedmont Stations reviews truck/trailer arrival scanning performance daily and enforces compliance. TID: March 2022.  |
|  |            | —               | R-4 — Develop and execute a plan to ensure management at the Vancouver Main Post office reviews truck/trailer arrival scanning performance daily and enforces compliance. TID: March 2022.   |
|  |            | —               | R-5 — Address all remaining building maintenance and safety issues identified at the Beaverton Main Post Office and the Parkrose and Piedmont Stations. TID: June 2022.  |
|  |            | —               | R-6 — Address all remaining building maintenance and safety issues identified at the Vancouver Main Post Office. TID: March 2022.  |
| <b>Efficiency of Operations at the Columbus, OH, Processing and Distribution Center</b>                                    |            |                 |  |
| 22-041-R22   | 03/25/2022 | —               | R-1 — Develop and implement a local policy to establish responsibility for providing oversight for load scan performance. TID: April 2022.   |
|  |            | —               | R-2 — Develop a plan to remove excess mail transport equipment and ensure cardboard is effectively stacked in recycling trailers to maximize capacity. TID: April 2022.  |
| <b>U.S. Postal Inspection Service’s Online Analytical Support Activities</b>   |            |                 |  |
| 21-191-R22   | 03/25/2022 | —               | R-1 — Conduct a full review of the Analytics Team’s responsibilities, activities, procedures, and any other associated guidance; and develop a process to ensure that all online analytical support activities conducted by the Postal Inspection Service are authorized. TID: September 2022.                     |
|  |            | —               | R-2 — Modify the Analytics Team’s Standard Operating Procedures to require the Office of Counsel to document its approval of all predefined keywords used for proactive intelligence searches, including approval for any changes to the predefined keywords. TID: April 2022.                                     |
|  |            | —               | R-3 — Modify the Analytics Team’s Standard Operating Procedures to clarify documentation requirements for Requests for Assistance, to include requiring postal inspectors to document the postal nexus in their requests. TID: September 2022.   |
|  |            | —               | R-4 — Modify the Analytics Team’s Standard Operating Procedures to require the Office of Counsel to document its approval of proactive work assignments at the time they are initiated. TID: September 2022.   |
|  |            | —               | R-5 — Modify the Analytics Team’s Standard Operating Procedures to require that all reports identify the postal nexus. TID: September 2022.  |
|  |            | —               | R-6 — Develop procedures for retaining documentation associated with work completed by the Analytics Team and storing sensitive information to ensure compliance with Postal Service policy. TID: September 2022.  |

## APPENDIX E: Reports with Recommendations Pending Corrective Actions

| Report Number | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number<br>TID = Target Implementation Date   |
|---------------|------------|-----------------|---|
|               |            |                 | <b>Deposit by Mail Controls at the U.S. Postal Service</b>  |
| 22-034-R22    | 03/30/2022 | —               | R-1 — Coordinate with the Vice President, Regional Processing Operations, Western, to properly address all remaining security deficiencies identified by the Postal Inspection Service within 30 working days of identification, as required by Postal Service policy. TID: April 2022. |
|               |            | —               | R-2 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: September 2022.   |

Total Number of Reports: **74**

Total Number of Recommendations: **161**

Total Monetary Impact: **\$1,496,969,506**



# APPENDIX F: Management Decisions in Audit Resolution

For the period: October 1, 2021 — March 31, 2022

As required by the IG Act, the following discusses information concerning any significant management decision with which the Inspector General disagrees and is currently in audit resolution.

| Report Number | Issue Date | Monetary Impact | Report Title, Recommendation Summary<br>R = Recommendation Number  |
|---------------|------------|-----------------|--|
| SAT-AR-18-002 | 09/28/2018 | —               | <b>Use of Postal Service Network to Facilitate Illicit Drug Distribution</b><br>R-1 — Work with Congress to develop legislative changes that would result in the Postal Inspection Service being authorized to open and inspect domestic packages suspected of containing illicit drugs.   |
| 20-295-R21    | 05/05/2021 | \$1,813,596     | <b>Scheduled Hours and Payments for Highway Contract Routes</b><br>R-3 — Develop a plan to review the accuracy of previously approved scheduled trips to identify and correct day count errors in the SCR system, determine actual overpayments, initiate recovery, and maintain all supporting documentation in either the TCSS or Transportation Management System.  |
| 21-201-R21    | 09/16/2021 | —               | <b>Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services</b><br>R-1 — Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.<br>R-4 — Reinforce the importance of correctly routing mail and using the assigned transportation according to Postal Service policy, and develop a formal communication plan to inform facilities when mail is misrouted.                                |
| 21-120-R21    | 09/20/2021 | —               | <b>Nationwide Service Performance</b><br>R-1 — Reemphasize the need for discussions among local processing, transportation, and delivery management components to communicate projected volumes and previous day's issues to proactively manage mail flow operations.<br>R-2 — Investigate and understand root causes for failed mailpieces in "Unable to Assign" category, and work to decrease and maintain the total number of mailpieces in this category to under 10 percent of total failures. |
| 21-131-R21    | 09/21/2021 | \$395,585,002   | <b>Manual Mail Processing Efficiency</b><br>R-3 — Communicate to employees the importance of changing operations on the time clock and of scanning all packages; place time clocks in areas that are easily accessible and monitor changes daily; monitor manual package processing operations routinely; update manual letter and flat volume estimates yearly.   |
| 21-116-R22    | 11/08/2021 | \$16,530,844    | <b>Trips Operating More Than Four Hours Late</b><br>R-5 — Verify that Highway Contract Route trips that are routinely critically late are aligned with Postal Service operations and adjust the schedules as needed.   |

## APPENDIX F: Management Decisions in Audit Resolution

| Report Number   | Issue Date | Monetary Impact   | Report Title, Recommendation Summary<br>R = Recommendation Number   |
|---|------------|---|---|
| <b>Capping Report of Mail Operations and Delayed Mail at Select Processing and Distribution Centers</b> |            |   |   |
| 21-222-R22  | 12/10/2021 | —   | R-1 — Provide additional training to management with an emphasis on how local processing management should use Mail Condition Visualization reports to identify root causes for delayed inventory to provide a more accurate representation of mail conditions at the facility.   |
|   |            | —   | R-2 — Develop supplemental guidance for local management reiterating that mail should be finalized on a last processing operation.  |
|   |            | —   | R-3 — Coordinate with management to determine if Content Identification Number codes need to be changed or added for situations where the designed mail flow does not correctly finalize mail that is not processed on a last processing operation, so that mail is not counted as delayed inventory.   |
| <b>Efficiency of Operations at the Baltimore, MD, Processing and Distribution Center</b>                |            |   |   |
| 21-237-R22  | 12/16/2021 | —   | R-3 — Prioritize and track the replacement of the tray management system at the Baltimore Processing and Distribution Center to ensure it is replaced according to the current schedule.  |
| <b>City Delivery Operations – Nationwide Route Management</b>   |            |   |   |
| 21-127-R22  | 02/17/2022 | —   | R-1 — Develop a detailed action plan, including measurable targets, to resume conducting annual street observations to determine whether a minor route adjustment or a mail count and route inspection review is needed.  |
|   |            | \$541,175,238   | R-2 — Evaluate using alternative methodologies, rather than the five or six consecutive days of a routes' mail volume, to maintain the eight-hour workday and how to account for letter and flat mail base volume.  |
|   |            | —   | R-3 — Develop an oversight process to monitor and confirm delivery unit management resolve errors in the Time and Attendance Collection System timely to ensure route workhours are accurate.   |
| —   | —          | R-4 — Evaluate the feasibility of replacing manual route evaluation activities with existing delivery systems, data, tools, and technology. |   |
| <b>Air Mail Not Moving As Assigned</b>  |            |   |   |
| 21-130-R22  | 03/02/2022 | —   | R-4 — Consider implementing – as applicable at mail processing facilities – best practices that may include displaying updated dispatch and routing signage and daily container quality checks.   |
| <b>Efficiency of Surface Transfer Center in the Southern Region</b>                                     |            |   |   |
| 21-212-R22  | 03/16/2022 | —   | R-3 — Reinforce the responsibility of Surface Transfer Center Coordinators to notify management responsible for Customer Supplier Agreements when mailers do not comply with their agreed upon mail separations.  |
|   |            | —   | R-5 — Reiterate through formal communication to Surface Transfer Center personnel the requirement for accurately recording driver information in Surface Visibility and using the irregularity reporting process to notify Administrative Officials when Highway Contract Route drivers do not have Postal Service issued identification or badges. |

Total Number of Reports: **11**

Total Number of Recommendations: **19**

Total Monetary Impact: **\$955,104,680**



## APPENDIX G: Status of Peer Review Recommendations

For the period: October 1, 2021 — March 31, 2022

Federal audit organizations undergo an external quality control assessment by their peers every three years. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires an appendix reporting on 1) any Office of Inspector General peer reviews conducted on us during the semiannual period; 2) any peer reviews conducted by the Inspector General of another Office of the Inspector General during the reporting period; and 3) any recommendations from previous or current peer reviews that remain outstanding or have not been fully implemented.

### Office of Audit

#### Peer Reviews Conducted on USPS OIG

None during the reporting period. There are no outstanding recommendations.

#### Peer Reviews Conducted by USPS OIG

None during the reporting period. There are no outstanding recommendations.

### Office of Investigations

#### Peer Reviews Conducted on USPS OIG

None during the reporting period. There are no outstanding recommendations.

#### Peer Reviews Conducted by USPS OIG

None during the reporting period. There are no outstanding recommendations.



# APPENDIX H: Investigative Statistics

The U.S. Postal Service Office of Inspector General currently uses a “Case Reporting Information Management and Evidence System,” also known as CRIMES.

Appendix H was pre-configured to present the following data:

A) The total number of investigative reports issued during the reporting period;

B) The total number of persons referred to the Department of Justice for criminal prosecution during the reporting period;

C) The total number of persons referred to state and local prosecuting authorities for criminal prosecution during the reporting period and;

D) The total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities.

For the period: October 1, 2021 — March 31, 2022

|                            | Investigations Closed | Arrests    | Indictments / Information / Complaints | Convictions — Criminal | Admin Actions Taken | Cost Avoidances   | Fines / Restitution and Recoveries | Amount to Postal Service | To Mgmt. for Admin Action | Number of persons referred to DOJ for criminal prosecution | Number of persons referred to state or local authorities for prosecution presentations | Criminal Indictments / Information | Number of investigative reports issued | Convictions — Civil Settlements/Judgments | Referrals to USPS that were not Investigated |
|----------------------------|-----------------------|------------|--|------------------------|---------------------|-------------------|------------------------------------|--------------------------|---------------------------|--|--|------------------------------------|--|---|--|
| Computer Crimes            | 4                     | —          | —                                      | 2                      | —                   | —                 | —                                  | —                        | 1                         | 2  | —  | —                                  | 3                                      | —   | 1  |
| Contract Fraud             | 19                    | 4          | 8                                      | 4                      | 3                   | 231,335           | 6,136,101                          | 6,136,101                | 2                         | 5  | —  | 8                                  | 13                                     | —   | 6  |
| Financial Fraud            | 86                    | 25         | 17                                     | 36                     | 56                  | 1,209,068         | 841,493                            | 775,964                  | 52                        | 20   | 7  | 12                                 | 108                                    | 2   | 12   |
| General Crimes             | 278                   | 26         | 19                                     | 24                     | 195                 | —                 | 401,451                            | 55,805                   | 155                       | 19   | 12   | 11                                 | 295                                    | —   | 576  |
| Health Care Claimant Fraud | 124                   | 10         | 10                                     | 12                     | 13                  | 46,251,825        | 2,014,655                          | 701,629                  | 10                        | 14   | 2  | 9                                  | 96                                     | —   | 6  |
| Health Care Provider Fraud | 20                    | 7          | 11                                     | 31                     | 12                  | 30,584,854        | 99,709,473                         | 5,958,814                | —                         | 5  | —  | 11                                 | 5                                      | 4   | 1  |
| Mail Theft                 | 697                   | 204        | 217                                    | 263                    | 499                 | —                 | 2,535,030                          | 291,983                  | 443                       | 229  | 37   | 129                                | 800                                    | —   | 286  |
| Narcotics                  | 245                   | 172        | 145                                    | 129                    | 84                  | —                 | 1,797,439                          | 81,848                   | 64                        | 72   | 38   | 111                                | 154                                    | —   | 13   |
| <b>Total</b>               | <b>1,473</b>          | <b>448</b> | <b>427</b>                             | <b>501</b>             | <b>862</b>          | <b>78,277,082</b> | <b>113,435,642</b>                 | <b>14,002,144</b>        | <b>727</b>                | <b>366</b>   | <b>96</b>  | <b>291</b>                         | <b>1,474</b>                           | <b>6</b>                                  | <b>901</b>                                   |

# APPENDIX I: Summary of U.S. Postal Inspection Service Actions Under 39 USC § 3005 and 3007

For the period: October 1, 2021 — March 31, 2022

| Type of Scheme         | Complaints | Consent    | FROs     | C&D Orders |
|------------------------|------------|------------|----------|------------|
|                        | Filed      | Agreements |          |            |
| Advance Fee            | —          | —          | —        | —          |
| Counterfeit Check      | 3          | 3          | —        | 3          |
| Facsimile Checks       | —          | —          | —        | —          |
| Failure to Pay         | —          | —          | —        | —          |
| Failure to Render      | 1          | 1          | —        | 1          |
| Foreign Lottery        | 14         | 14         | —        | 14         |
| Investment Fraud       | 1          | 1          | —        | 1          |
| Invoice Schemes        | —          | —          | —        | —          |
| Lottery                | —          | —          | —        | —          |
| Medical Fraud – Other  | 1          | 1          | —        | 1          |
| Other                  | 13         | 13         | —        | 13         |
| Rebate and Refund      | —          | —          | —        | —          |
| Reshipping Scheme      | —          | —          | —        | —          |
| Sweepstakes            | —          | —          | —        | —          |
| USPS Revenue Fraud     | —          | —          | —        | —          |
| Identity Theft – Other | —          | —          | —        | —          |
| <b>TOTAL</b>           | <b>33</b>  | <b>33</b>  | <b>—</b> | <b>33</b>  |

## Other Administrative Actions

|  |   |
|--|---|
| Temp. Restraining Orders Requested     | —   |
| Temp. Restraining Orders Imposed       | —   |
| Cases Using Direct Purchase Authority  | —   |
| Civil Penalties (Section 3012) Imposed | —   |
| Test Purchases                         | —   |
| <b>Withholding Mail Orders Issued</b>  | —   |
| Voluntary Discontinuances              | This area is not tracked by Office of Counsel |

## Administrative Subpoenas Requested by the Postal Inspection Service

There were none requested during this reporting period.

## Financial Reporting on Investigative Activities for the Postal Inspection Service

| Area               | Type                       | Total         |
|--------------------|----------------------------|---------------|
| VP Chief Inspector | Total Personnel Comp       | \$213,894,882 |
| VP Chief Inspector | Total Nonpersonnel Expense | \$74,467,441  |
| VP Chief Inspector | Total Operating Expense    | \$288,362,323 |
| VP Chief Inspector | Total Capital Commitments  | \$1,619,639   |

## APPENDIX J: Congressional/PMG/Board of Governors Inquiries

For the period: October 1, 2021 — March 31, 2022

The Office of Government Relations responds to inquiries from Congress, the Postmaster General, and the Board of Governors. The OIG responds to some of these inquiries by conducting audits or investigations. However, the OIG does not generally perform audits or investigations when an inquiry involves a non-systemic issue that may be resolved through existing administrative or judicial processes, such as the equal employment opportunity complaint process, contractual grievance-arbitration procedures, or appeals to the Merit Systems Protection Board. When systemic or criminal issues have been identified, the OIG may conduct independent audits or investigations to help ensure the economy, efficiency, and integrity of Postal Service programs and operations.

From October 1, 2021, through March 31, 2022, the OIG received 73 new inquiries, 12 of which we referred to the U.S. Postal Service Office of Government Relations and six to the Postal Inspection Service for review. We closed 60 inquiries during this reporting period. Our Office of Investigations reviewed 31 and our Office of Audit reviewed six.

### Congressional Testimony

Since its inception, the OIG has testified before Congress on various matters. During this reporting period, Deputy Assistant Inspector General for Audit (DAIGA) Melinda Perez testified twice before the Subcommittee on Government Operations of the U.S. House of Representatives Committee on Oversight and Reform. These field hearings focused on mail delivery and service performance in Chicago, IL, on October 15, 2021, and Baltimore, MD, on February 14, 2022.

The Chicago hearing, entitled *Waiting on the Mail: Postal Service Standard Drops in Chicago and the Surrounding Area*, also included testimony from then-Chicago Postmaster Eddie Morgan, Jr. and Mack Julian from the National Association of Letter Carriers. DAIGA Perez's written statement can be found in its entirety [here](#) and the hearing can be viewed [here](#).

The Baltimore hearing, entitled *Waiting on the Mail: Postal Service Standard Drops in Baltimore and the Surrounding Area*, also included testimony from Acting Postmaster Eric Gilbert, postal employee and shop steward Rictarsha Westmoreland, and Chuck Metzger from ReBUILD Metro. DAIGA Perez' written statement can be found in its entirety [here](#) and the hearing can be viewed [here](#).

Prior testimonies and statements can be found in their entirety on the OIG's website at <https://www.uspsoig.gov>.

## APPENDIX K: Attempt to Interfere with OIG Independence

For the period: October 1, 2021 — March 31, 2022

Section 5(a)(21) of the Inspector General Empowerment Act, as amended, requires that OIGs report attempts by an agency to interfere with inspector general independence, including through budget constraints, resistance to oversight, or delayed information access.

None to report.



# Supplemental Information

## Freedom of Information Act

The OIG Freedom of Information Act (FOIA) Office operates independently of, but frequently coordinates with, its counterparts at the Postal Service and the Postal Inspection Service. The FOIA Office receives requests for records from the public, the media, and postal employees. The FOIA, according to the Department of Justice, “generally provides that any person has a right, enforceable in court, to obtain access to federal agency records, except to the extent that such records (or portions of them) are protected from public disclosure by one of nine exemptions.”

### Activities

For the period: October 1, 2021 — March 31, 2022

| Requests  | Number of Requests |
|---|--------------------|
| Carryover from prior period                         | 15                 |
| Received during period                              | 395                |
| Total on hand during period                         | 410                |
| Actions   | Number of Requests |
| Processed during the period                         | 403                |
| Requests Denied in Full                             | 37                 |
| Requests Granted in Full                            | 19                 |
| Requests Denied in Part                             | 66                 |
| Duplicate Request                                   | 2                  |
| Fee-Related Reasons                                 | 1                  |
| No Records  | 61                 |
| Not an agency record                                | 45                 |
| Not a proper FOIA request for some other reason     | 0                  |
| Requests Referred                                   | 147                |
| Requests Withdrawn                                  | 24                 |
| Records not reasonably described                    | 1                  |
| Balance   | Number of Requests |
| Balance at the end of the period (pending)          | 7                  |
| Processing Days                                     | Number of Days     |
| Median processing days to respond to a FOIA request | 0                  |

## Workplace Environment

The OI Workplace Environment unit reviews workplace environment and operational issues that may affect workplace climate in postal facilities throughout the country. The OIG Hotline is the primary source for complaints, but occasionally members of Congress, the Governors, and postal management will raise concerns or forward complaints appropriate for review by the unit. Complaint topics range from harassment and discrimination to workplace safety.

Workplace Environment reviews are designed to identify systemic, rather than individual, issues and foster postal management efforts toward providing employees a stress- and adversity-free work environment. The unit accepts complaints from any postal employee, including OIG and Postal Inspection Service staff. Reviews may result in fact-finding reports to management or referral for specific suggested action, such as climate assessments.

For the period: October 1, 2021 — March 31, 2022

Total complaints reviewed and closed: **952**

## Whistleblower Reprisal Investigations

For the period: April 1 — September 30, 2021

| Whistleblower Reprisal Activity      |    |
|--------------------------------------|----|
| Allegations Received                 | 56 |
| OIG Investigations Initiated         | 8  |
| Investigations closed with no action | 3  |
| Allegations closed with no action    | 57 |
| OIG found reprisal                   | 2  |

## Supplemental Information

### Summary of Performance

For the period October 1, 2021 — March 31, 2022

| Audits  |                      |
|---|----------------------|
| Reports issued (Excluding RARC/RISC white papers) | 48                   |
| Recommendations issued                            | 130                  |
| Total reports with financial impact               | 13                   |
| Funds put to better use                           | \$37,661,707         |
| Questioned costs                                  | \$589,310,306        |
| Revenue Impact                                    | \$63,661             |
| <b>Total</b>                                      | <b>\$627,035,674</b> |

| RARC/RISC White Papers |   |
|------------------------|---|
| White Papers issued    | 3 |
| Recommendations issued | 0 |

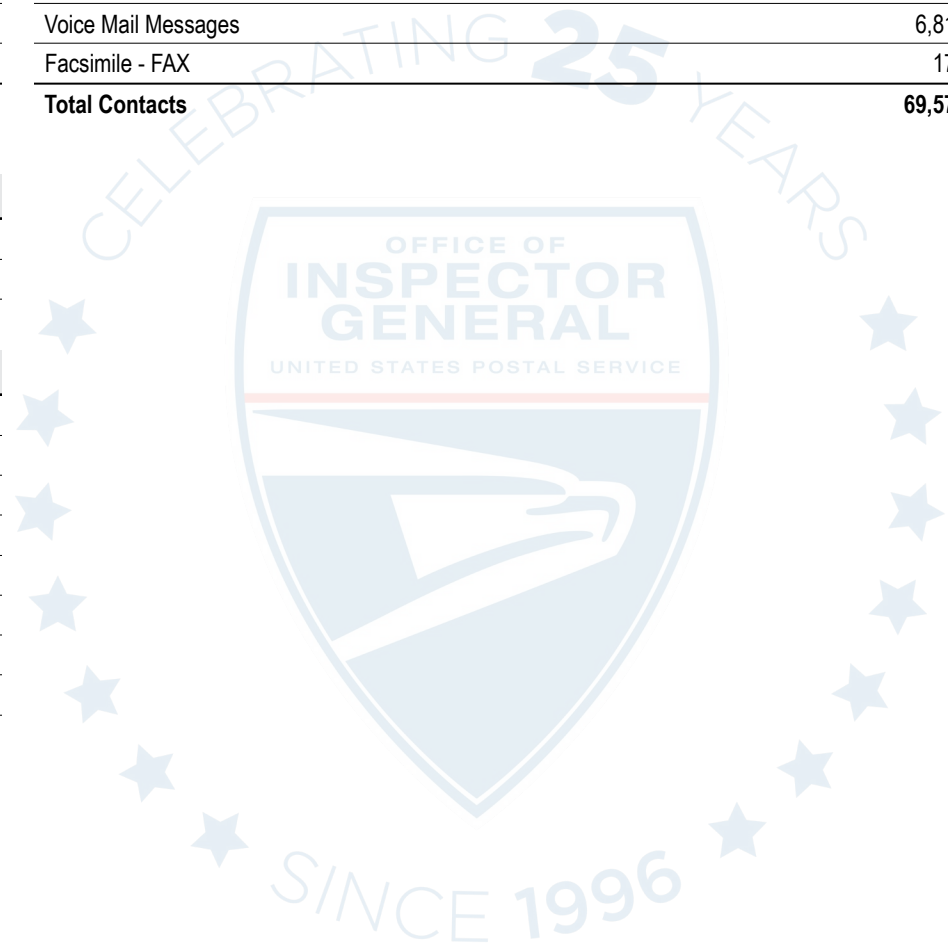
| Investigations <sup>1</sup>                  |                  |
|--|------------------|
| Investigations Completed                     | 1,473            |
| Arrests                                      | 448              |
| Indictments/Informations                     | 427              |
| Convictions/pretrial diversions <sup>2</sup> | 501              |
| Administrative actions                       | 862              |
| Cost Avoidance                               | \$78,277,082.00  |
| Fines, Restitution, and Recoveries           | \$113,435,642.00 |
| Amount to the Postal Service <sup>3</sup>    | \$14,002,144.00  |

<sup>1</sup> Statistics include joint investigations with other law enforcement agencies.

<sup>2</sup> Convictions reported in this period may be related to arrests in prior reporting periods.

<sup>3</sup> Amounts include case results of joint investigations with other OIG, federal, state, and local law enforcement entities.

| OIG Hotline Contacts  |               |
|-----------------------|---------------|
| Telephone calls       | 7,538         |
| E-Mail                | 6,218         |
| Webforms              | 48,238        |
| Standard Mail         | 599           |
| Voice Mail Messages   | 6,810         |
| Facsimile - FAX       | 173           |
| <b>Total Contacts</b> | <b>69,576</b> |



# Reporting Requirements

| Act Section | Requirement   | Page                  |
|-------------|---|-----------------------|
| 5(a)(1)     | Significant problems, abuses, and deficiencies  | throughout            |
| 5(a)(2)     | Recommendations with respect to significant problems, abuses, and deficiencies  | throughout            |
| 5(a)(3)     | Recommendations described in previous semiannual reports on which corrective action has not been completed  | listed on pages 36-49 |
| 5(a)(4)     | Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted   | 53, 57                |
| 5(a)(5)     | Summary reports made to the head of the establishment under section 6(b)(2) of instances where information was refused  | n/a                   |
| 5(a)(6)     | Listing of audit, inspection, and evaluation reports and, if applicable, the total dollar value of questioned costs and recommendations that funds be put to better use   | 5,57                  |
| 5(a)(7)     | Summary of particularly significant reports   | throughout            |
| 5(a)(8)     | Statistical tables showing total number of audit, inspection, and evaluation reports containing questioned costs  | 27-31                 |
| 5(a)(9)     | Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use  | 33                    |
| 5(a)(10)    | Summary of audit and evaluation reports issued prior to the beginning of the reporting period for which (a) no management decision had been made; (b) no management comment was received within 60 days of issuing the draft report; and (c) there were any unimplemented recommendations, including the aggregate potential cost savings of those recommendations, at the end of the reporting period      | 32-33                 |
| 5(a)(11)    | Description and explanation of the reasons for any significant revised management decisions   | 50-51                 |
| 5(a)(12)    | Information concerning any significant management decisions with which the Inspector General disagreed  | 50-51                 |
| 5(a)(13)    | Information under 804(b) Federal Financial Management Improvement Act of 1996   | n/a                   |
| 5(a)(14)    | Results of any peer review conducted by another Office of the Inspector General during the reporting period, and if none, a statement of the date of the last peer review   | 52                    |
| 5(a)(15)    | List of outstanding recommendations from any peer review conducted by another Office of the Inspector General, including a statement describing the status of the implementation and why implementation is not complete   | n/a                   |
| 5(a)(16)    | List of any outstanding recommendations made from any previous peer review that remain outstanding or have not been fully implemented   | n/a                   |
| 5(a)(17)    | Statistical table showing the total number during the reporting period of (a) investigative reports issued, (b) persons referred to the Department of Justice for criminal prosecution, (c) persons referred to state and local prosecuting authorities for criminal prosecution, and (d) indictments and criminal information resulting from any prior referral to prosecuting authorities                 | 50                    |
| 5(a)(18)    | Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)  | 50                    |
| 5(a)(19)    | Report on investigations in which allegations of misconduct involving a senior government employee were substantiated including a detailed description of the facts and circumstances of the investigation, and the status and dispositions of the matter, including if the matter was referred to the DOJ, the date of the referral, and if the DOJ declined the referral, the date of the declination     | 24-25                 |
| 5(a)(20)    | Detailed description of any instances of whistleblower retaliation, including information about the official found to have engaged in retaliation, and what, if any, consequences the establishment imposed to hold the official accountable  | 25                    |
| 5(a)(21)    | Detailed description of any attempts to interfere with the independence of the Office of the Inspector General including with budget constraints designed to limit the capabilities of the OIG, and incidents where the establishment has resisted or objected to oversight activities of the OIG or restricted or significantly delayed access to information, including the justification for such action | 55                    |
| 5(a)(22)    | Detailed descriptions of the circumstances of each audit, inspection, or evaluation that was closed and not disclosed to the public and investigation conducted involving a senior government employee that was closed and not disclosed to the public  | 31                    |

# Acronym Guide

APPS: Automated Package Processing System

APWU: American Postal Workers Union

C&A: certification and accreditation

CSRS: Civil Service Retirement System

CSS: customer service supervisor

DBCS: Delivery Barcode Sorter

DOL: U.S. Department of Labor

DEA: Drug Enforcement Administration

DWC: distribution window clerk

eCBM: Electronic Conditional Based Maintenance

EDDI: Electronic Data Distribution Infrastructure

EDI: Electronic Data Interchange

EIR: Enterprise Information Repository

FEGLI: Federal Employees' Group Life Insurance

FEHB: Federal Employees Health Benefits

FSS: Flats Sequencing System

GMU: George Mason University

HCR: highway contract route

LLV: long-life vehicles

MTE: mail transport equipment

NALC: National Association of Letter Carriers

NCSC: National Customer Support Center

NDC: network distribution center

NPV: net present value

OA: Office of Audit

OI: Office of Investigations

OWCP: Office of Workers' Compensation Programs

P&DC: processing and distribution center

P&DF: processing and distribution facility

PAEA: Postal Accountability and Enhancement Act of 2006 (also known as the Postal Act of 2006)

PKI: Public Key Infrastructure

PRC: Postal Regulatory Commission

PVS: Postal Vehicle Services

RARC: Risk Analysis Research Center

RISC: Research and Insights Solution Center

SBOC: Stations and Branches Optimization Consolidation

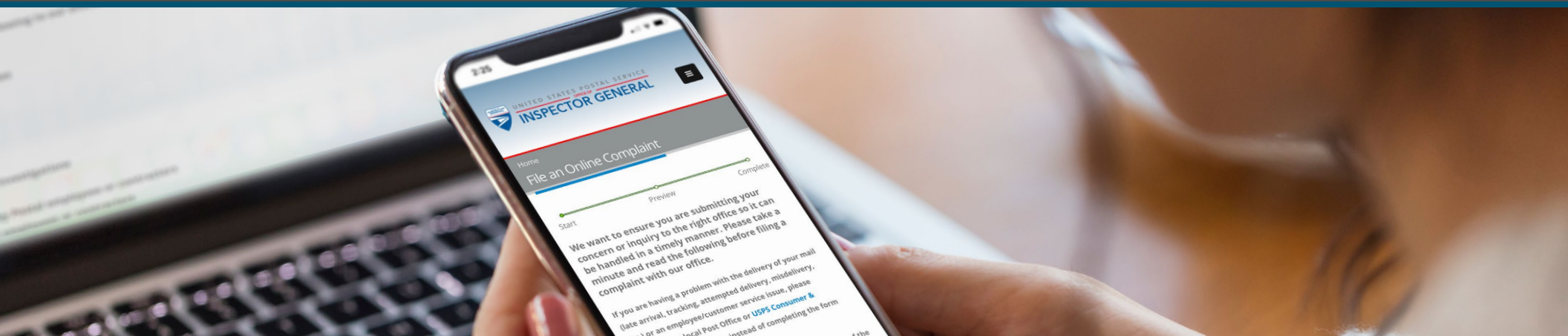
SSA: sales and services associate

TACS: Time and Attendance Collection System

VMF: Vehicle Maintenance Facility

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# WHO DO I CONTACT — REPORT FRAUD, WASTE, ABUSE

The U.S. Postal Service has two law enforcement agencies with distinct areas of investigative responsibility to serve the needs of stakeholders, postal employees, and the American public.

## Office of Inspector General

- Theft, delay, or destruction of mail by employees and contractors
- Workers' compensation fraud
- Embezzlements and financial crimes
- Contract Fraud
- Kickbacks
- Computer crimes
- Narcotics
- Employee misconduct
- Internal affairs and executive investigations
- Whistleblower reprisals

<https://www.uspsoig.gov/form/file-online-complaint>

Contact: 888-877-7644

## Postal Inspection Service

- Security of employees, facilities, and equipment
- Revenue and postage fraud
- International mail security
- Violent crimes:
  - Threats and assaults of employees
  - Burglaries and robberies
- Mail theft by nonemployees
- Dangerous mail and bombs
- Mail fraud
- Identity theft
- Narcotics in the mail
- Child pornography and obscenity

<https://www.uspis.gov/report>

Contact: 877-876-2455



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