



# FALL 2020 HIGHLIGHTS

## Semiannual Report to Congress

For the Period April 1 – September 30, 2020

Through audits and investigations, the Office of Inspector General plays a key role in maintaining the integrity and accountability of the nation's Postal Service, its revenue and assets, and its employees.

# SUMMARY OF PERFORMANCE

October 1, 2019 – September 30, 2020



Questioned Costs:  
**\$2,427,049,436**



Revenue Impact:  
**\$92,320,100**



Funds Put to Better Use:  
**\$4,617,532,800**

**\$7,136,902,336**

Reports Issued: **126** | Recommendations Issued: **318** | Total Reports with Financial Impact: **36**

# SUMMARY OF PERFORMANCE

October 1, 2019 – September 30, 2020

## October 1, 2019 — March 31, 2020



Questioned Costs:  
**\$1,196,349,201**

Revenue Impact:  
**\$92,009,799**

Funds put to better use:  
**\$4,459,756,311**

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**Total:**  
**\$5,748,115,311**

Reports Issued: **66**

Recommendations Issued: **151**

Total Reports with Financial Impact: **19**

## April 1 — September 30, 2020



Questioned Costs:  
**\$1,230,700,235**

Revenue Impact:  
**\$310,301**

Funds put to better use:  
**\$157,776,489**

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**Total:**  
**\$1,388,787,025**

Reports Issued: **60**

Recommendations Issued: **167**

Total Reports with Financial Impact: **17**



# OFFICE OF AUDIT

The Office of Audit's mission is to protect postal assets and revenue, ensure efficient and economical mail delivery and operations, and safeguard the integrity of the postal system. Postal Service executives often work closely with their OIG counterparts to identify problems and collaborate on solutions. These efforts have resulted in significant savings opportunities.



*Timeliness of Ballot Mail in the Milwaukee Processing and Distribution Service Area*

*Processing Readiness of Election and Political Mail During the 2020 General Elections*

*Military, Diplomatic, and Other International Election Mail Preparedness*

*Overall, the Postal Service made progress in preparing for the 2020 general election, but concerns remained about timely delivery of ballots.*

*Besides operational issues, COVID-19 had a significant impact.*



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## *Timeliness of Ballot Mail in the Milwaukee Processing and Distribution Service Area*

## *Processing Readiness of Election and Political Mail During the 2020 General Elections*

## *Military, Diplomatic, and Other International Election Mail Preparedness*

**Voter's declaration**  
I hereby declare that I am qualified to vote from the below stated address at this election; that I have not already voted in this election; and I further declare that I marked my ballot in secret. I am qualified to vote the enclosed ballot. I understand that I am no longer eligible to vote at my polling place after I return my voted ballot. However, if my ballot is not received by the county, I understand I may only vote by provisional ballot at my polling place.

**Voter, sign or mark here**

Date (MM/DD/YY) \_\_\_\_\_

Voter, print name \_\_\_\_\_

Voter, address (street) \_\_\_\_\_

Voter, address (city, zip code) \_\_\_\_\_

John Doe  
123 Any Street  
Pittsburg, PA 13999

**To be Completed by Voter Unable to Sign their Declaration Because of Illness or Physical Disability:**  
I hereby declare that I am unable to sign my declaration for voting my ballot without assistance because I am unable to write by reason of my illness or physical disability. I have made or received assistance in making my mark in lieu of my signature.

**Voter, sign or mark here**

Date (MM/DD/YY) \_\_\_\_\_

Witness, address (street) \_\_\_\_\_

Witness, address (city, zip code) \_\_\_\_\_

Witness, sign here \_\_\_\_\_

- Some ballots lacked barcodes; other ballots had designs that resulted in improper processing*
- Some voter addresses were out of date*
- Ballots mailed from abroad were at risk because of processing delays and untested tracking and reporting capabilities*



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## Delivery Vehicle Acquisition Strategy

*In FY 2019, almost 70 percent of the Postal Service's more than 200,000 delivery/collection vehicles had exceeded expected service life.*

*The Postal Service's strategy for acquiring new vehicles was generally adequate, but it encountered significant implementation delays.*

*Management had not adequately considered the full complexity of the process, prototype development issues, and stakeholders' concerns.*



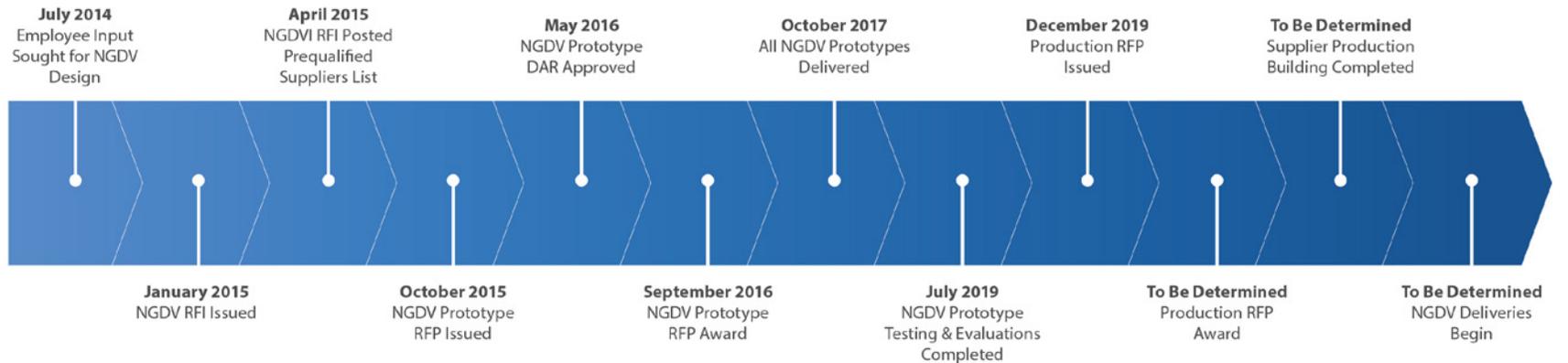
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## Next Generation Delivery Vehicle

### Prototype Schedule – Completed Milestones and Estimates of Upcoming Milestones





# RESEARCH AND INSIGHTS SOLUTION CENTER



## Reevaluating the Universal Service Obligation

*The need for a comprehensive review and clearer definition of the postal USO in this country has been discussed for over a decade.*

*The OIG studied recent changes foreign posts had made to their respective USOs.*

*There is no single solution, but a study of user needs is an important first step.*



# RESEARCH AND INSIGHTS SOLUTION CENTER



## Reevaluating the Universal Service Obligation

- *A further defined USO would protect postal customers and provide guidance on what changes USPS can implement.*
- *The most common recent changes foreign posts made are a reduction in frequency of delivery and speed of delivery.*
- *Defining a USO that provides clear guidance will be a challenging task, as it will need to balance customer needs while still ensuring financial stability of the Postal Service.*

# SUMMARY OF PERFORMANCE

October 1, 2019 – September 30, 2020



Amount to Postal Service:  
**\$191,840,255**



Cost Avoidance:  
**\$124,121,544**



Fines, Restitution, Recovery:  
**\$1,707,339,337**

Investigations Completed: **2,352** | Arrests: **702** | Indictments/Informations: **790**  
Convictions/Pretrial Diversions: **2,352** | Administrative Actions: **1,760**

# SUMMARY OF PERFORMANCE

October 1, 2019 – September 30, 2020

## October 1, 2019 — March 31, 2020



Returned to the Postal Service:

**\$77,766,663**



Cost Avoidance:

**\$70,536,596**



Fines, Restitution, and Recovery:

**\$405,128,443**

Investigations Completed: **1,174**

Arrests: **401**

Indictments/Informations: **417**

Convictions/Pretrial Diversions: **437**

Administrative Actions: **916**

## April 1 — September 30, 2020

Amount to the Postal Service:

**\$114,073,595**



Cost Avoidance:

**\$53,584,948**



Fines, Restitution, and Recovery:

**\$1,261,460,490**



Investigations Completed: **1,180**

Arrests: **301**

Indictments/Informations: **375**

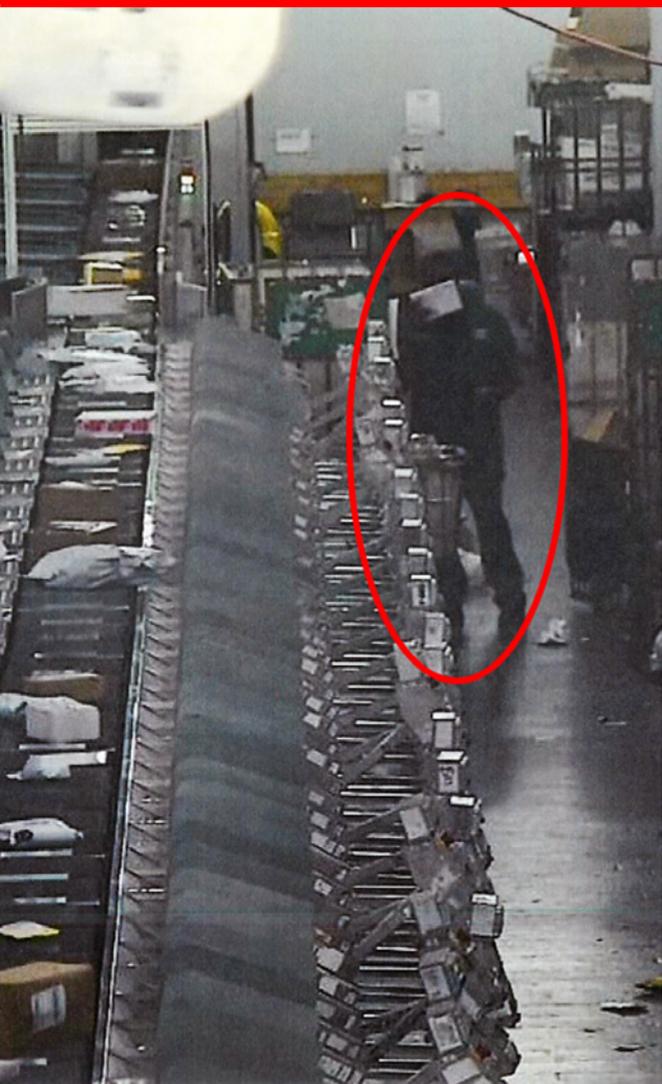
Convictions/Pretrial Diversions: **270**

Administrative Actions: **846**



# OFFICE OF INVESTIGATIONS

The OIG Office of Investigations fulfills its traditional role of rooting out fraud, waste, and misconduct to protect the Postal Service's bottom line and maintain confidence in the mail. The OIG's dedication to integrity, accountability, and transparency means that no person in the organization is above the law or immune from the ethical standards set by the Postal Service.



## Narcotics

*A mail theft case that began with three suspects ended with the removal of 11 Postal Service employees who were in separate groups stealing packages containing marijuana.*

*Each group had a scheme to identify which packages might have marijuana and then secretly remove them from the facility.*



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## Narcotics

- *OIG surveillance of the three original suspects revealed involvement of eight others*
- *Seized: 747 grams of marijuana, 130 grams of marijuana wax, and \$3,720 in cash*
- *Six conspirators were prosecuted; all received sentences from nine months in prison to three years of probation*



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## Health Care Provider Fraud

*A health care clinic in San Antonio billed the federal government for treatment and therapies supposedly provided to injured USPS employees.*

*An OIG investigation revealed that wasn't quite true.*



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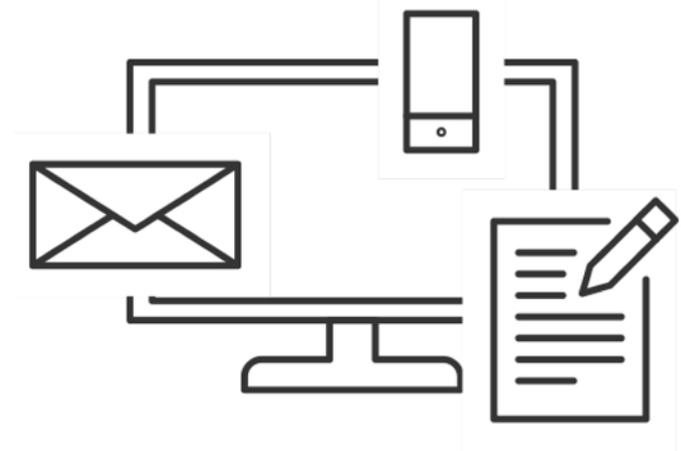
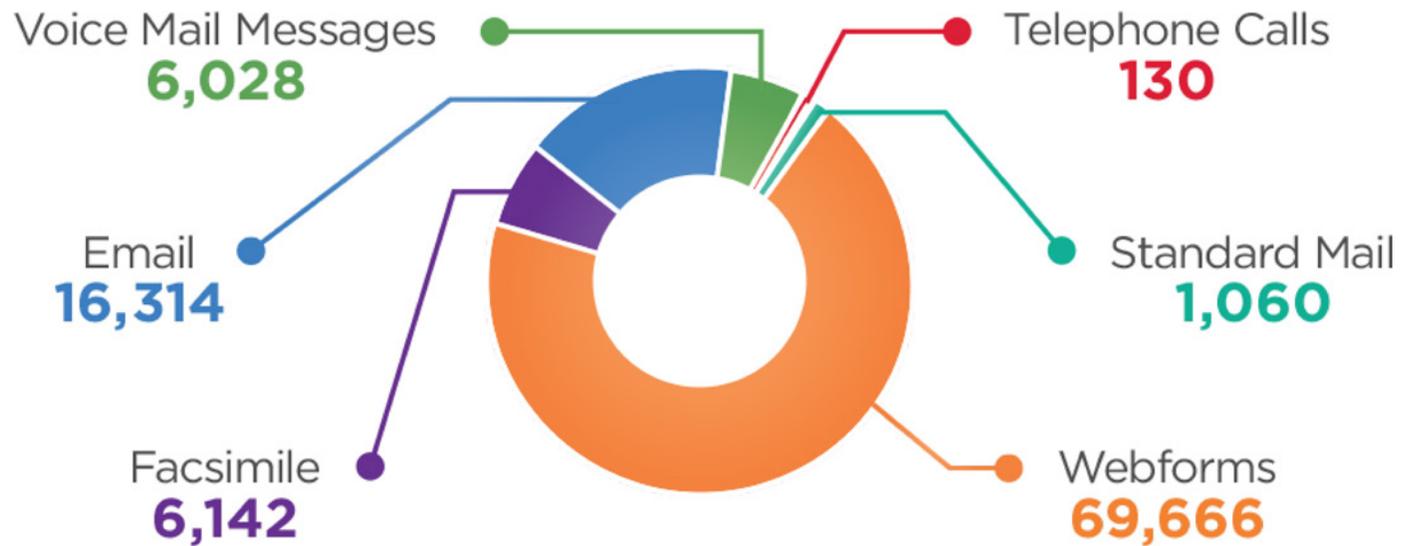
## Health Care Provider Fraud

- *Some therapy services were never given to patients*
- *Some therapies that were given were administered by unlicensed staff*
- *The clinic owner was sentenced to seven years in jail and ordered to pay \$6 million in restitution*

# HOTLINE SUMMARY OF PERFORMANCE

April 1 – September 30, 2020

## HOTLINE CONTACTS



**Total Contacts:**  
**99,340**



## Mission Statement

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

## Let Us Hear From You!

The OIG sponsors a blog and Audit Asks forum to collect feedback and ideas from our stakeholders and the general public. We encourage you to share your ideas, concerns, and comments at:

- **Pushing the Envelope Blog:** [www.uspsoig.gov/blog](http://www.uspsoig.gov/blog)
- **Audit Asks:** [www.uspsoig.gov/audit-asks](http://www.uspsoig.gov/audit-asks)

To report fraud, waste, or misconduct involving postal employees or contractors contact us: [www.uspsoig.gov](http://www.uspsoig.gov) or 888-877-7644



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