Government Relations Operations

Audit Report

September 23, 2011

Report Number FF-AR-11-014
IMPACT ON:
The Office of Government Relations and Public Policy (Government Relations) operations at U.S. Postal Service Headquarters and district Consumer and Industry Affairs offices.

WHY THE OIG DID THE AUDIT:
To determine whether Government Relations operations were conducted efficiently and cost effectively.

WHAT THE OIG FOUND:
Opportunities exist to improve the efficiency and cost effectiveness of Government Relations operations by developing a comprehensive workload tracking and analysis system and written policies and procedures. While the Postal Service’s recent organizational redesign increased the Government Relations employee-to-supervisor ratio, we were unable to determine if it was the optimal staffing level for the workload. In addition, we believe management should review Stamp Services placement in Government Relations to determine whether the current organizational placement is optimal. Furthermore, we determined district Consumer and Industry Affairs’ workload does not duplicate or supplement Government Relations casework.

WHAT THE OIG RECOMMENDED:
We recommended the vice president, Government Relations and Public Policy, establish procedures to gather workload statistics on all functions within Government Relations, periodically monitor those statistics, make appropriate adjustments to the organizational structure, and develop written policies and procedures to guide Government Relations operations. We also recommended reviewing placement of the Stamp Services organization to determine whether it is appropriately aligned within the Postal Service based on Stamp Services’ primary mission.

WHAT MANAGEMENT SAID:
Management agreed with findings and recommendations 1 and 2 and indicated agreement with the intent of recommendation 3. Specifically, management plans to develop a system to capture workload data and prepare written procedures to guide Government Relations operations by March 31, 2012. Additionally, although they will keep Stamp Services within Government Relations, they plan to engage members of the Citizens’ Stamp Advisory Committee to enhance stamp revenue.

AUDITORS’ COMMENTS:
The OIG considers management’s comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

Link to review the entire report
September 23, 2011

MEMORANDUM FOR: RONALD A. STROMAN
DEPUTY POSTMASTER GENERAL

MARIE THERESE DOMINGUEZ
VICE PRESIDENT
GOVERNMENT RELATIONS AND PUBLIC POLICY

FROM: John E. Cihota
Deputy Assistant Inspector General
for Financial Accountability

SUBJECT: Audit Report – Government Relations Operations
(Report Number FF-AR-11-014)

This report presents the results of our audit of the U.S. Postal Service’s Office of Government Relations and Public Policy operations (Project Number 11BG015FF000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Juan Gonzalez, acting director, Field Financial – West, or me at 703-248-2100.

Attachments

cc: Susan M. LaChance
Corporate Audit and Response Management
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Introduction

This report presents the results of our audit of the U.S. Postal Service’s Office of Government Relations and Public Policy (Government Relations) operations (Project Number 11BG015FF000). This report responds to a request from Representative Jo Ann Emerson, Chairwoman, House Appropriations Subcommittee on Financial Services and General Government, to (1) review Government Relations operations and the placement of the Stamp Services organization under Government Relations and (2) determine whether district Consumer and Industry Affairs (Consumer Affairs) offices duplicate or supplement the activities of Government Relations operations. Our objective was to evaluate Government Relations operations to determine whether operations were conducted efficiently and cost effectively. The audit addresses operational risk. See Appendix A for additional information about this audit.

The Postal Service’s Government Relations organization is the primary liaison to government leaders and policy makers. Its duties include monitoring legislation and other government rulemaking, informing legislative and executive branch officials of developments within the Postal Service and responding to their inquiries, and briefing management on government reaction to Postal Service policies. Stamp Services is also part of Government Relations and is responsible for creating, producing, distributing, and maintaining adequate quantities of postage stamps, stationery products, and philatelic products for nationwide sales.

Consumer Affairs, an organization separate from Government Operations, is the liaison between customers and the Postal Service. They respond to consumer questions, comments, complaints, and inquiries; and occasionally respond to local congressional inquiries on behalf of constituents and keep local congressional offices informed of Postal Service initiatives in their district, such as facility closures affecting their congressional district.

Conclusion

Opportunities exist for Government Relations to further improve efficiency and cost effectiveness by developing a comprehensive workload tracking and analysis system and developing written policies and procedures. These actions would assist Government Relations in determining optimal staffing, providing consistency in the work performed, setting standards for products and services, and acting as a training tool for new or reassigned employees.

During our review, the Postal Service underwent a major organizational redesign.2 While the redesign increased the overall Government Relations employee-to-supervisor

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1 Subsequent to the redesign, headquarters’ Consumer Advocate’s name changed to Consumer and Industry Affairs. Additionally, the current Postal Service redesign combines local district Consumer Affairs with the Business Service Network, resulting in a new group named Consumer and Industry Contacts.

2 The Postal Service announced an organizational redesign on March 25, 2011, and is currently downsizing. The Postal Service will fully implement the redesign by September 2011, and the full extent of the changes to Government Relations operations will be known at that time.
ratio, Government Relations is unable to support whether they are optimally staffed because they do not fully track much of the work that they do. In addition, we believe management should consider placing Stamp Services in an organization with a focus on revenue generation to maximize its revenue potential. Furthermore, we determined Consumer Affairs’ workload in the districts addresses local consumer issues and does not duplicate or supplement Government Relations casework.

**Workload Tracking Needs Improvement**

Government Relations does not have a comprehensive workload tracking and analysis system; therefore, we were unable to determine whether operations were performed effectively and efficiently and whether staffing levels appropriately matched the workload. A comprehensive workload tracking and analysis system includes identifying the amount of work assigned to a worker, documenting the time required to complete the work, and aggregating the workload data to calculate the total amount of resources required to complete a group of tasks.

Our review determined that Government Relations staff have a variety of documents to track the work completed by the organization; however, they do not track the time required to complete the work or aggregate the workload data. According to management, in the past they performed more detailed workload tracking but decided it was too time consuming to continue. Through discussions and documentation provided by management, we were able to determine workload activities for fiscal year (FY) 2010. Specifically, we determined in FY 2010 that Government Relations personnel:

- Opened and closed 5,849 cases with written responses.³
- Prepared a weekly status report to document meetings and notifications to congress. A review for a 4-week period ending February 25, 2011, showed personnel had 118 meetings with congressional staff.
- Tracked the testimonies of Postal Service witnesses at six congressional hearings.
- Maintained a bill tracking database that contained more than 400 pieces of legislation with implications for the Postal Service.
- Developed annual economic impact statements for each state and congressional district.
- Maintained handouts and talking points developed to advance the Postal Service’s legislative agenda.

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³ Workload data obtained from the Document Imaging System.
- Published a weekly competitive intelligence newsletter.\(^4\)
- Responded to numerous phone and e-mail inquiries.

Our review of staffing disclosed that Government Relations and Public Policy is authorized 241 positions and is divided into two major components: Government Relations operations and Stamp Services. The Government Relations operations component has 47 positions and includes three areas of responsibility: Government Liaison, Legislative Policy and Strategy Development, and Public Policy Planning and Analysis. The Stamp Services component has 194\(^5\) positions and includes four areas of responsibility: Stamp Development, Stamp Products and Exhibitions, Stamp Manufacturing, and Stamp Fulfillment Services. See Appendix A for more details.

As a part of the Postal Service’s March 2011 organizational redesign, the employee-to-supervisor ratio for Government Relations operations increased while the ratio for Stamp Services decreased. However, the overall Government Relations employee-to-supervisor ratio increased as the number of authorized personnel decreased. See Table 1 for more details.

### Table 1: Employee-to-Supervisor Ratio

<table>
<thead>
<tr>
<th>Government Relations and Public Policy Supervisory Ratio Comparison Before and After the March 2011 Redesign</th>
<th>Government Relations Operations</th>
<th>Stamp Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before</td>
<td>After</td>
<td>Before</td>
</tr>
<tr>
<td>Authorized Executive and Administrative Schedule Personnel</td>
<td>47</td>
<td>41</td>
<td>50(^6)</td>
</tr>
<tr>
<td>Authorized Management Band and Postal Career Executive Service</td>
<td>12</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Employee to Supervisor Ratio</td>
<td>3.9</td>
<td>6.8</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Postal Service Organizational Charts

\(^4\) The weekly competitive intelligence newsletter provides information on industry news, including international postal services, products, and technology.

\(^5\) This includes both bargaining and non-bargaining employees.

\(^6\) Stamp Services also includes 150 authorized bargaining unit employees; the number of authorized bargaining unit employees did not change as part of March 2011 organizational redesign.
According to our research, the change in the Government Relations and Stamp Services employee-to-supervisor ratio resulting from the March 2011 redesign is more in line with standard supervisory ratios for complex, variable work.\(^7\) However, without comprehensive workload tracking, management cannot effectively determine whether the staffing levels are optimal for the workload.

Our review of business best practices noted that comprehensive workload tracking and analysis is a useful tool to help supervisors effectively manage their responsibilities. Workload tracking provides empirical data to help prioritize tasks, identify process inefficiencies, optimize staffing, assign workload equitably, measure performance, and determine budget requirements.

As a result of the U.S. Postal Service Office of Inspector General (OIG) review and the recent redesign, management stated that they saw the value in enhanced workload tracking and have begun developing additional workload tracking mechanisms.

**Development of Written Policies and Procedures**

Government Relations does not maintain written policies and procedures for its operations. Our research indicated that an effective management control system\(^8\) includes development of policies, procedures, and practices that ensure management can achieve their objectives. Management stated that each congressional inquiry is unique; therefore, a standard written policy would not be beneficial. However, without written policies and procedures, Government Relations cannot ensure that work performed is consistent and meets standards established for its products and services, and cannot maintain an effective management control system.

Although we agree that inquiries may be unique, we believe congressional responses generally require similar procedures, such as reviewing the complaint, researching related information, and drafting a response. Additionally, other types of work Government Relations performs, such as weekly summary reports on legislative activities and annual economic impact statements, are prepared routinely and could benefit from written procedures.

The development of written policies and procedures will facilitate Government Relations’ transition to its new structure, help focus the work to the new core functions of the organization, and set standards for products and services. In addition, management can use these policies and procedures as a training tool for employees who join Government Relations and as a reference source for current employees on their roles and how to perform their assigned tasks. Furthermore, written policies and procedures

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\(^7\) Span of Control, at [http://www.businessdictionary.com/definition/span-of-control.html](http://www.businessdictionary.com/definition/span-of-control.html), is defined as: “The number of subordinates that a manager or supervisor can directly control. This number varies with the type of work: complex, variable work reduces it to six, whereas routine, fixed work increases it to 20 or more.”

\(^8\) In 1992, the Committee of Sponsoring Organizations of the Treadway Commission issued a report on internal control framework. This framework has been widely accepted as providing a sound basis for establishing internal control systems and determining their effectiveness. One of the five key elements of the framework is development of policies and procedures.
could assist management in assessing performance and establishing accountability. Written policies and procedures would allow Government Relations to be more productive and allow management to focus more time on strategic development and less on day-to-day operations.

**Stamp Services Placement Needs Review**

Placement of Stamp Services in Government Relations needs further review. Available information indicates there is little correlation between the overarching duties and responsibilities of Stamp Services and Government Relations.\(^9\) Postal Service personnel stated that Stamp Services tends to focus on the interests of the organizational group to which it is assigned. For example, while in Government Relations, Stamp Services’ focus has been on governmental and congressional stamp requests, since the group is responsible for acting as the liaison to government leaders and policy makers on postal policy matters rather than revenue generation. Some Postal Service managers stated that the Stamp Services organization can be viewed either as a services provider or a revenue generator. Management noted that if the Postal Service considers Stamp Services to be a revenue generator, then placement within a revenue-generating organization would be most appropriate.

During the recent redesign, Government Relations management informed us they considered the placement of Stamp Services and determined the current placement is appropriate because of the interest stamps receive from congress and the cross-organizational collaboration required to develop a stamp from concept to actual product. However, since Government Relations’ mission does not address revenue generation, the value of Stamp Services to the Postal Service’s financial operations may be limited.

Considering the financial situation of the Postal Service and the cross-organizational collaboration needed to develop a stamp, this may be the appropriate time to review Stamp Services’ placement in Government Relations, specifically its potential to generate revenue. The most effective placement of Stamp Services should allow for creation of a varied stamp collection, increased public interest, an adequate stamp supply, and revenue growth.

**Other Matters**

We reviewed the possibility of duplicative activities between Government Relations and Consumer Affairs and determined that they are two separate entities and do not duplicate or supplement each other’s work. Government Relations is staffed only at the headquarters level and is the primary liaison to government leaders and policy makers on Postal Service policy and national issues. Consumer Affairs is staffed at the headquarters and the local level and does not address policy or issues of national concern. Postal Service policy authorizes local level managers to respond to

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\(^9\) See Appendix A for responsibilities of both organizations.
governmental inquiries related to customer service matters; however, they are to forward policy\textsuperscript{10} matters to Government Relations at Postal Service Headquarters.\textsuperscript{11}

Consumer Affairs’ primary mission is to address customer service complaints, including inquiries from local consumers and local congressional representatives’ offices on behalf of their constituents. For example, customers may contact the local Consumer Affairs office themselves or may contact their congressional representative on service matters such as late mail delivery or missing packages. Inquiries received from congressional representatives on behalf of their constituents represent a very small portion of Consumer Affairs’ workload. In FY 2011,\textsuperscript{12} Consumer Affairs handled 1.8 million cases, 1,685 of which (less than 1 percent) were from congressional representatives. See Table 2 for more details.

**Table 2: Consumer Affairs Workload**

<table>
<thead>
<tr>
<th>Case Source</th>
<th>Number of Cases</th>
</tr>
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<tbody>
<tr>
<td>1-800-ASK-USPS</td>
<td>1,388,861</td>
</tr>
<tr>
<td>Claims</td>
<td>8,170</td>
</tr>
<tr>
<td>Letter</td>
<td>6,015</td>
</tr>
<tr>
<td>Letter – Postmaster General</td>
<td>5,100</td>
</tr>
<tr>
<td>Letter – Postmaster General Compliment</td>
<td>226</td>
</tr>
<tr>
<td>Letter – Senate/Congressional</td>
<td>1,685</td>
</tr>
<tr>
<td>OIG</td>
<td>2,919</td>
</tr>
<tr>
<td>Political Mail Complaints</td>
<td>34</td>
</tr>
<tr>
<td>Publication Watch - Daily</td>
<td>337</td>
</tr>
<tr>
<td>Publication Watch - Monthly</td>
<td>178</td>
</tr>
<tr>
<td>Publication Watch - Weekly</td>
<td>1,173</td>
</tr>
<tr>
<td>Stamps</td>
<td>360</td>
</tr>
<tr>
<td>Telephone</td>
<td>44,939</td>
</tr>
<tr>
<td>USPS.com/Email</td>
<td>315,998</td>
</tr>
<tr>
<td>Walk-in</td>
<td>2,877</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,778,872</strong></td>
</tr>
</tbody>
</table>

Source: Postal Service eCustomerCare system

We attempted to obtain comprehensive data on the types of inquiries included in the 1,685 congressional inquiries and 44,939 telephone inquiries received by district Consumer Affairs offices. However, the types of inquiries were not available at a national level; rather, the information was stored in manual logs at each district Consumer Affairs office. Consequently, we judgmentally selected four\textsuperscript{13} district Consumer Affairs’ customer service contact logs to review the types of inquiries provided. We confirmed the types of congressional inquiries provided were for local

\textsuperscript{10} Policy matters include, but are not limited to, rate making, mail classification, contracting and procurement, real estate, arbitration, interpreting collective bargaining agreements, appointments, promotions, and personnel policies.


\textsuperscript{12} FY 2011 data from eCustomer Care for the period October 1, 2010, to May 4, 2011.

\textsuperscript{13} Reviewed customer service logs at the Bay-Valley, San Francisco, Dallas, and Forth Worth District Consumer Affairs offices.
customer service matters, such as no mail delivery, change of address, and appearance of facilities.

Based on our limited review of the types of congressional inquiries district Consumer Affairs offices receive, the small percentage of customer service complaints sent to congressional representatives, and the differences noted between Government Relations’ national focus and district Consumer Affairs’ local focus, we concluded that district Consumer Affairs offices do not duplicate or supplement Government Relations work.

**Recommendations**

We recommend the vice president, Government Relations and Public Policy:

1. Establish procedures to gather workload statistics on all functions within the Office of Government Relations and Public Policy, periodically monitor those statistics, and make appropriate adjustments to the organizational structure, as needed.

2. Develop written policies and procedures to guide operations within the Office of Government Relations and Public Policy.

We recommend the deputy postmaster general, in consultation with the vice president, Government Relations and Public Policy:

3. Review placement of the Stamp Services organization within the Office of Government Relations and Public Policy to determine whether it is properly aligned within the Postal Service based on Stamp Services’ primary mission.

**Management’s Comments**

Management agreed with findings and recommendations 1 and 2 in this report. For recommendation 3, management indicated agreement with the recommendation’s intent of looking for ways to generate additional revenue in Stamp Services and suggested an alternate action.

Regarding recommendation 1, management agreed to develop a system by March 31, 2012, to gather additional data about the workload attributable to Government Relations staff.

Regarding recommendation 2, management agreed to develop written procedures by March 31, 2012, to guide operations for the three components of Government Relations.

Regarding recommendation 3, management agreed they can take additional steps to enhance the maximum revenue potential of stamps. Management stated that to enhance stamp revenue they plan to engage the marketing talents of members of the
Citizens’ Stamp Advisory Committee (CSAC), a committee tasked with evaluating the merits of all stamp proposals. Further, management stated they considered relocating Stamp Services to the Marketing department during the recent organizational redesign and determined that Stamp Services’ revenue-generating goals could be met by retaining the department within the Government Relations organization. Management considered the recommendation completed.

See Appendix B for management’s comments in their entirety.

**Evaluation of Management’s Comments**

The OIG considers management’s comments responsive to the recommendations and corrective actions should resolve the issues identified in the report. However, since management plans to engage members of the CSAC to enhance stamp revenue, we do not consider recommendation 3 closed. We will keep the recommendation open and assess the process for enhancing stamp revenue using the CSAC members upon implementation.

The OIG considers all the recommendations significant and, therefore, requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the Postal Service’s follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.
Appendix A: Additional Information

Background

The vice president of Government Relations and Public Policy is responsible for Government Relations operations and Stamp Services. During the March 2011 redesign, the number of Government Relations and Public Policy authorized positions decreased from 264 to 241 at headquarters. Government Relations operations’ duties include:

- Monitoring legislation and other government rule making and advising management on the potential impacts of and corporate positions on these actions.
- Keeping legislative and executive branch officials informed of developments within the Postal Service and responding to their inquiries.
- Advising management about how Postal Service decisions might affect other government entities.
- Briefing management on government reaction to Postal Service policies and developments.

Stamp Services’ responsibility has been to create, produce, distribute, and maintain adequate quantities of postage stamps, stationery products, and philatelic products for nationwide sales. In FY 2010, Stamp Services oversaw:

- Issuance of 34 stamps with 84 designs.
- Creation of 41 stamps with 98 designs.
- The manufacture of approximately 25 billion stamps, 265 million envelopes, and 51 million postal cards.

Stamp Services has been located in three functional areas within the Postal Service since FY 2000. According to management, Stamp Services was in the Marketing organization prior to 2000, then moved to Corporate Communications around FYs 2000 to 2001. In FY 2002, Stamp Services became part of Government Relations. The exact reason for the movement of Stamp Services is not known.

Separate from Government Relations and Public Policy, the Postal Service also maintains an organization called Consumer and Industry Affairs14 which is responsible for:

- Addressing customer inquiries, questions, comments and complaints, including responding to local congressional inquiries on behalf of constituents.

14 The name changed from Consumer Advocate in January 2011.
Keeping local congressional offices informed of Postal Service initiatives, such as facility closures affecting their congressional districts.

Setting the strategic direction for field consumer affairs operations.

Providing an indicator of customer satisfaction to management.

Guiding Postal Service managers on improving operating and service performance.

Channeling information from the Postal Service to the customer regarding policy and procedures.

During the March 2011 redesign, the number of Consumer Affairs authorized positions decreased from 167\textsuperscript{15} to 72 EAS positions at headquarters. Additionally, the current Postal Service redesign combines local district Consumer Affairs with the Business Service Network, resulting in a new group called Consumer and Industry Contacts. There are 288 Consumer Affairs clerks\textsuperscript{16} located in the 67 Postal Service districts who report to district management. Their primary responsibility is to address customer inquiries at the local level.

Objective, Scope, and Methodology

The objective of our audit was to evaluate Government Relations operations to determine whether they are conducted efficiently and cost effectively. To accomplish our objective we:

Interviewed Government Relations personnel at Postal Service Headquarters and the Stamp Fulfillment Center in Kansas City, KS; and Consumer Affairs personnel at Postal Service Headquarters, area, and district offices.

Obtained and reviewed workload data for FYs 2008 through 2011 in Government Relations operations.

Obtained and reviewed workload data for FY 2011 in Consumer Affairs.

Evaluated operating procedures and staffing levels.

Researched generally accepted employee-to-supervisor ratios.

Researched the benefits of maintaining written policies and procedures.

Hosted a weblog related to Government Relations operations.

\textsuperscript{15} Consumer Advocate’s 167 authorized positions included 118 vacancies.

\textsuperscript{16} Number of clerks on the rolls as of March 18, 2011.
Benchmarked with a large national retailer and two other government agencies to ascertain the organizational structure of their government relations departments, if any.

We conducted this performance audit from February through September 2011 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 10, 2011, and included their comments where appropriate.

We assessed the reliability of eCustomer Care System data and the Document Imaging System data by judgmentally comparing system data to source documentation. We determined that data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit.
Appendix B: Management's Comments

September 12, 2011

SHIRIAN B. HOLLAND
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Government Relations Operations
(Report Number FF-AR-11-DRAFT)

Thank you for the opportunity to review and comment on this draft report. Since the time of the Inspector General's audit work, Government Relations' workload has increased significantly as a result of the announcement that the Postal Service will study roughly 3,700 Post Offices for possible closure and the impending insolvency of the Postal Service. Both of these issues have generated significant number of meetings, calls, emails and letters.

Recommendation 1:
Establish procedures to gather workload statistics on all functions with the Office of Government Relations and Public Policy, periodically monitor those statistics, and make appropriate adjustments to the organization structure, as needed.

Management Response/Action Plan:
As noted in the draft audit report, Government Relations does track the work completed by Government Relations staff. However, the Government Relations Department does not have systems to capture the amount of time spent on any individual effort. As noted, Government Relations previously had a more detailed tracking system but discontinued its use when it became clear that the time spent in using the system outweighed the value of the data generated.

We agree with the recommendation and will develop a system to gather additional data about the workload attributable to Government Relations staff.

Target Implementation Date:
March 31, 2012

Responsible Official:
Marie Therese Dominguez

Recommendation 2:
Develop written policies and procedures to guide operations within the Office of Government Relations and Public Policy.

Management Response/Action Plan:
Government Relations currently has methods to train and guide employees in the completion of their duties. However, this process could be enhanced. We agree with this recommendation and
will develop written procedures to guide operations for the three components of Government Relations: Liaison, Legislative Policy and Strategy Development, and Public Policy Planning and Analysis.

**Target Implementation Date:**
March 31, 2012

**Responsible Official:**
Maria Theresa Dominguez

**Recommendation 3:**
Review placement of the Stamp Services organization within the Office of Government Relations and Public Policy to determine whether it is properly aligned within the Postal Service based on Stamp Services' primary mission.

**Management Response/Action Plan:**
As noted in the OIG Report, during the recent organization redesign, the placement of the Stamp Services function within Government Relations was reviewed. The Postal Service has many objectives with its stamps program, including that of revenue generation. It is for the reason that relocating Stamp Services to the Marketing department of the Postal Service was considered. However, it was determined that Stamp Services' revenue generation goals could continue to be met by retaining the department within Government Relations.

The Postal Service agrees that additional steps can be taken to enhance the maximum revenue potential of stamps. One method is to engage the marketing talents of the members of the Citizens' Stamp Advisory Committee (CSAC). This Committee, which was established in 1967, is tasked with evaluating the merits of all stamp proposals. The Committee provides the Postal Service with a "breadth of judgment and depth of experience in various areas that influence subject matter, character and beauty of postage stamps."

The Committee's primary goal is to select subjects of broad national interest for recommendation to the Postmaster General that are both interesting and educational. In addition to Postal Service's extensive line of mail use stamps, approximately 20 new subjects for commemorative stamps are recommended each year. The Committee is generally working on stamps two to three years in advance of issuance. Stamp selections are made with all postal customers in mind, not just stamp collectors. The Committee works on recommending stamps that are both interesting and educational, and national in scope.

In addition, CSAC members are mindful of the Postal Service's revenue generating stamp goals and consider the marketability of stamps, along with topics of cultural and educational interest. The Committee is composed of a maximum of 15 members whose backgrounds reflect a wide range of educational, artistic, historical and professional expertise. All share an interest in the stamp program and the needs of the mailing public, and the Postal Service needs to continue to work closely with CSAC to ensure that it is capturing the full benefit of CSAC members' marketing expertise.
Target Implementation Date:
Completed.

Responsible Official:
Ronald Stromman

We do not believe that this report contains any proprietary or business information and may be
disclosed pursuant to the Freedom of Information Act. If you have any questions about this
response, please contact Marie Therese Dominguez at 202-268-2506.

Ronald A. Stromman
Deputy Postmaster General

Marie Therese Dominguez
Vice President, Government Relations and Public Policy

cc: Susan LaChance
Judy de Torek
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