



**OFFICE OF
INSPECTOR GENERAL**
UNITED STATES POSTAL SERVICE

Five Year Strategic Plan

FY2014 - FY2018

Meeting the
Emerging Needs of the
Digital/Global Era



Achieving Twenty-first
Century Modernization



Recovering
and Preventing
Improper Payments



Ensuring Mailer
and Recipient Value



Enhancing the
Brand and Integrity

Message from the Inspector General

For almost 240 years, the United States Postal Service has provided the nation with a secure, universally accessible platform for commerce and communications. The Postal Service has built a brand that customers, suppliers, and employees trust to protect the privacy and security of their information, whether it is their mail or electronically stored data maintained in a computer database. In 2013 the Postal Service ranked as the nation's fifth most trusted company and the most trusted government agency.

The Postal Service is an enormous, complex operation, currently handling 40 percent of the world's mail volume. However, that world is rapidly changing, as electronic communication poses both threats and opportunities to the postal enterprise. The \$1.5 trillion e-commerce market has not reached its full potential; participants are still working to improve trust and enhance associated logistics, return services, payment, and security.

The Postal Service has responded by improving existing products and services, experimenting with new services, and streamlining its operations. But continued innovation and optimization in such times of rapid change is critical to ensure the Postal Service's long-term financial stability. It sells postage on line and through self-serve kiosks, and offers flat rate Priority Mail pricing and simplified mailing services such as Every Door Direct Mail, which allows businesses to reach customers without the need for names or addresses. Over 170,000 Intelligent Mail devices enable real-time package tracking for customers. If its experiment as the provider of the digital Federal Cloud Credential Exchange platform succeeds, the public will be able to securely access online government services at multiple agencies without the need for digital identification for each service. To reduce costs, the Postal Service has reduced hours in post offices, consolidated processing facilities and reduced delivery routes, despite the growth in delivery points.

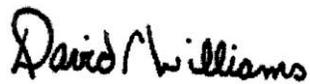
The U. S. Postal Service Office of Inspector General has, and will continue, to identify opportunities for cost savings as well as innovation. A January 2014 OIG study suggesting the Postal Service offer non-bank financial services to some 68 million financially underserved Americans has received unprecedented attention in policy circles and in the popular media. Over the past five years OIG auditors have identified billions of dollars in potential monetary savings and our investigators identified \$1.5 billion in cost avoidance, fines, restitutions, and recoveries as defined by the Inspector General Act and reported to the Office of Management and Budget. We issued over 1,500 audit reports containing more than 1,100 significant recommendations for improving Postal Service operations and financial processes. We completed more than 20,000 investigations that resulted in over 6,000 arrests, indictments or informations, 3,800 convictions or pretrial diversions, and 10,600 administrative actions taken by the Postal Service. Preserving the integrity and security of the Postal Service has been, and continues to be, a top OIG priority.

In this Five-Year Strategic Plan for 2014–2018, we present our strategic focus areas and implementation strategies. Our strategic focus areas align with the Postal Service's strategic goals – preserving reliable and affordable universal service and implementing comprehensive transformation for a long-term sustainable future – articulated in the Postal Service's April 2013 Five-Year Business Plan. Our plan is focused on supporting the Postal Service and Congress as they confront fundamental questions on the future of the Postal Service.

The next five years, we will continue use of digital analytics to improve the efficiency and value of our investigations and audits. We will apply increasingly complex predictive analytics to scrutinize the large volume of information on Postal Service operations. This approach will further enhance our proven ability to identify investigative and audit leads with a high likelihood of fraud detection, prevention and monetary savings.

We will continue to focus on our knowledge centered work environment and professional network collaboration to enhance the value of each of our professionals. Our executives, managers and staff meet regularly with stakeholders, and we have enhanced our collaborative environment using social media tools. We have held discussion forums on such topics as big data, eGovernment, and enhancing the value of mail. These efforts ensure that knowledge we gain about the Postal Service is retained regardless of changes in our workforce and that we are in tune with the needs and interests of our customers and stakeholders.

We will provide even more value than we have in the past, leveraging our resources with technology and effective knowledge transfer programs. We also recognize that continuous hiring, retention and development of high quality employees, and keeping our employees fully engaged with challenging work, is essential to our success. Operating by our values, I am confident we can continue to deliver optimal value to the Postal Service and our stakeholders.

A handwritten signature in black ink that reads "David Williams". The signature is written in a cursive, slightly slanted style.

David C. Williams

Five-Year Strategic Plan FY 2014- FY 2018

Contents

Overview of the Office of Inspector General Strategic Plan, FY 2014 – FY 2018

OIG Mission, Vision, and Values

OIG Strategic Focus Areas and Implementation Strategies

Appendices

- 1. Strategic Alignment and Planning*
- 2. Statutory Responsibilities*

Overview of Office of Inspector General Strategic Plan, FY 2014 – FY 2018

Mission

Promote Integrity and Accountability

Vision

Performance to Deliver Value
Passion for Our Mission
Pride in Our Employees

Values

Results

Innovation

Leadership and
Professionalism

Knowledge

Flexibility

Strategic Focus Areas For OIG Oversight

①

Meeting the
Emerging
Needs of the
Digital/Global
Era

②

Achieving
Twenty-first
Century
Modernization

③

Ensuring
Mailer and
Recipient
Value

④

Enhancing
the Brand
and Integrity

⑤

Recovering
and
Preventing
Improper
Payments

Mission

Promote integrity and accountability

Vision

Performance to deliver value

Passion for our mission

Pride in our employees

Values

- Results
 - Demonstrates critical thinking ability
 - Demonstrates good judgment and business acumen
 - Demonstrates effective oral and written communication skills
 - Assignment-Based Evaluation Performance
- Innovation
 - Identifies need for, and finds, new ways to achieve results
 - Introduces new ideas and inspires others
 - Demonstrates the effective use of current and emerging technology and social media
- Leadership and Professionalism
 - Demonstrates leadership
 - Develops self and others
 - Treats others as one likes to be treated
 - Collaborates and promotes teamwork in getting things done
 - Demonstrates positive interpersonal skills
- Knowledge
 - Furthers institutional knowledge by contributing to Communities of Practice, Employee Engagement & Empowerment (e3), and the Knowledge Centered Environment
 - Incorporates organizational knowledge in projects and assignments
 - Builds and maintains knowledge networks
 - Shares knowledge and mentors others
 - Continuously expand one's own knowledge

- Flexibility
 - Embraces, champions and is an agent of change
 - Contributes to change through ideas and leadership
 - Exhibits flexibility, adaptability and resilience

Strategic Focus Areas and Implementation Strategies

In keeping with the Government Performance and Results Act and the Inspector General Act, our strategic focus areas and implementation strategies form the foundation of this strategic plan and are designed to guide us in performing work that will improve our operational efficiency and effectiveness and the value of our products and services. We developed these strategic focus areas and implementation strategies to ensure continued alignment with Postal Service and stakeholder strategies. Following are the OIG's strategic focus areas and implementation strategies that will guide our work during this strategic planning period.

Strategic Focus Area 1 **Meeting the Emerging Needs of the Digital/Global Era**

Inform and connect the postal enterprise, stakeholders, and the OIG through the use of innovative technology

Implementation Strategies

- Inform the debate among stakeholders and Congress on the future of the Postal Service business model, including areas such as service requirements, financial obligations and pricing of products
- Monitor continuously trends affecting the Postal Service and mailers, to identify opportunities for innovation in the types of products and services the Postal Service offers
- Continue to improve the OIG knowledge-centered environment and communities of practice, in order to better share, among OIG executives, managers and staff, knowledge of trends affecting postal operations, awareness of risks to postal operations, and opportunities to improve postal operations and the Postal Service's financial condition
- Better integrate information technologies to equip OIG staff with responsive, mobile tools, enabling them to work on a variety of devices anywhere, anytime, thereby increasing operational efficiencies and improving the effectiveness of OIG operations
- Improve our computer intrusion infrastructure to facilitate working collaboratively with the Postal Inspection Service and the Postal Service

Summary Measurement Indicators:

The percentage of customer service, sustainability, and cost, pricing and rates recommendations accepted resulting from audits of the Postal Service; and OIG budget execution.

Strategic Focus Areas and Implementation Strategies

Strategic Focus Area 2 Achieving Twenty-first Century Modernization

Make recommendations that enhance service to customers by improving operational economy efficiency and effectiveness

Implementation Strategies

- Leverage innovative and cutting edge technologies, such as cloud-based virtual desktops teamed with mobile infrastructure, to provide auditors and investigators with the information they need, anytime, anywhere
- Further modernize OIG's capability to synthesize data and information on postal operations and turn it into useable knowledge and insight to identify the root causes and solutions for weaknesses in postal operations
- Focus strategically, with "just-in-time" work that addresses both risks to the Postal Service, and opportunities for the Postal Service to increase revenue, optimize operations, and better position itself in the marketplace
- Recruit, retain and develop a highly skilled and diverse workforce to perform audits and investigations, using individual development plans, our Learning Management System, and Knowledge Centered Environment
- Collectively achieve and maintain the organizational competencies necessary to deliver products and services needed by stakeholders and required by our mission in a high quality and timely manner. We will achieve this by providing OIG staff with paths to mastery of knowledge of the OIG, knowledge of the profession, and knowledge of the assignment. We will also work to improve organizational alignment and replace bureaucracy with flexibility



Summary Measurement Indicators:

Timeliness, quality, and cost of audits and investigations; and customer survey results.

Strategic Focus Areas and Implementation Strategies

Strategic Focus Area 3 **Ensuring Mailer and Recipient Value**

Explore emerging opportunities in integrated delivery, micro logistics, and managed delivery

Implementation Strategies

- Track social, technological and industry trends capturing patterns of human interaction, how businesses are organized and how transactions take place
- Facilitate interaction among global posts to gather best practices and anticipate postal market innovations
- Propose new products and services
- Support Postal Service efforts to generate revenue and cut costs by identifying \$75 billion in new revenue and cost reduction opportunities

Summary Measurement Indicators:

Revenue impact, monetary benefits, interactions with external stakeholders and opinion leaders.

Strategic Focus Areas and Implementation Strategies

Strategic Focus Area 4 Enhancing the Brand and Integrity

Conduct investigations and audits that enhance the integrity and security of Postal Service products, services and people.

Implementation Strategies

- Expand products and services, and add capabilities to continually meet the needs of the Postal Service and other stakeholders
- Help the Postal Service to self-police employee misconduct by sharing insights from employee misconduct cases
- Deploy Dynamic Reporting, a process by which we will enhance or replace current OIG reports and white papers to include video and graphics
- Conduct audits of the Postal Service, investigative services, and security programs and make recommendations that will improve the safety and security of the nation's mail systems and its employees
- Continue to measure and take actions to improve employee and customer satisfaction during the next 5 years

Summary Measurement Indicators:

Actual cost avoidance, fines, recoveries, settlements and judgments; closed investigations; and administrative actions taken.

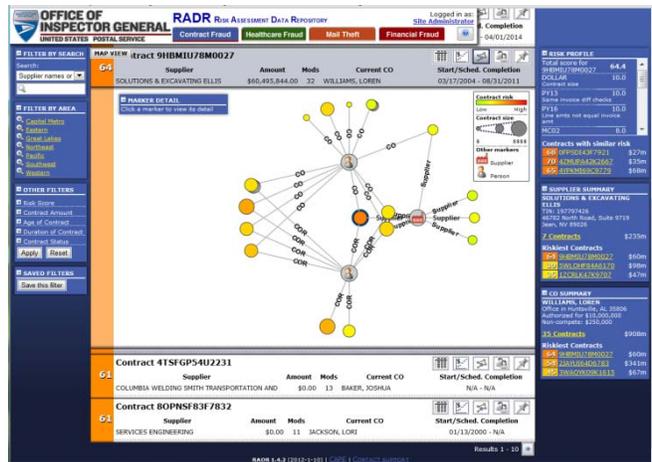
Strategic Focus Areas and Implementation Strategies

Strategic Focus Area 5 Recovering and Preventing Improper Payments

Proactively address vulnerabilities and accelerate recovery of improper payments

Implementation Strategies

- Recommend ways to strengthen internal controls on postal systems
- Proactively analyze and assign risk rankings for all contract, health care, and other financial transactions
- Deploy investigative assets based on risk rankings
- Expand the OIG's successful use of data analytics and predictive data modeling tools to proactively identify vulnerabilities, propose countermeasures, and measure the effectiveness of such countermeasures
- Conduct objective, independent, timely, and high-quality investigations of misconduct and fraud that over the next 5 years will recover \$2 billion in fines, restitutions, recoveries, settlements, and cost avoidance



Summary Measurement Indicators:

Financial impact, improved investigative targeting, timeliness of case resolution.

Strategic Alignment and Planning

Our Offices of Audit (OA) and Investigations (OI) work to help the Postal Service manage its major risks.

Audit

OA's focus is on those projects that provide Postal Service management with information to address the emerging strategic issues and major risks and management challenges they are facing. During FY 2011, Postal Service management recognized that the scope, scale, and pace of necessary organizational change required significant improvement in their management of strategic projects. To improve business strategy development and execution against major goals, the Executive Leadership Team adopted an original list of 36 strategic initiatives, referred to as DRIVE (Delivering Results, Innovation, Value and Efficiency). The list of initiatives changes over time; In FY 2013, the Postal Service focused on a portfolio of 24 strategic initiatives. For FY 2014 the Postal Service is focusing on 20 initiatives.

In April 2013, the Postal Service published its five-year business plan, which articulated five key restructuring objectives:

- Preserve the ability to provide and finance secure, reliable and affordable universal delivery service
- Further economic growth and enhance commerce
- Implement comprehensive transformation for a long-term sustainable financial future
- Protect U.S. taxpayers (avoid Federal funding and appropriations)
- Maintain fairness to employees and customers

Over the past several years there have been some significant shifts in the postal industry. The strategy of revenue diversification, away from the traditional mail product, has gained some success over more traditional paths. Posts are working to build business units in the new diverse areas that are as effective and performance driven as their legacy businesses. Technology continues to play a significant role in the future of Postal organizations. eCommerce is producing a fresh stream of revenue from parcel volumes. As Posts are realizing they can become a part of the broader eCommerce ecosystem, a new breed of digital postal business is born – with the potential to be the first in line for the next wave of revenues.

OA's planning process ensures that our audit work addresses key risks and restructuring objectives. OA uses an Enterprise Risk Management approach to identify both risks to the Postal Service, and opportunities for innovation. OA executives update their annual assessments of key risk factors and discuss the assessments with all OIG executives. OA executives keep abreast of strategies in the postal industry, focusing reviews on relevant best practices and successful strategies. OA executives and directors also maintain professional relationships and outreach with Postal Service executives and other stakeholders to ensure open communication and full coverage of issues and challenges facing the Postal Service. In quarterly meetings OA executives and directors discuss strategic focus areas that emerge from the risk discussions, and based on risks, opportunities and stakeholder concerns, develop "just-in-time" audit projects for the next calendar quarter. These processes allow OA to also focus on future strategies to help the Postal Service be a successful enterprise in the 21st century.

OA will continue to enhance its Performance and Results Information Systems (PARIS) models with predictive modeling elements and improved data visualization techniques. These models identify operational and financial risks, and enable OA staff to analyze and conduct reviews of Postal Service functions on a nationwide basis, while also identifying areas of emerging risk. OA shares PARIS model results and underlying data with the Office of Investigations, the Governors, Postal Service officials, and

other key stakeholders. Postal Service management uses PARIS information to help identify risks within their districts. OA meets its statutory responsibility by conducting audits and evaluations in the following areas:

- Network Processing and Transportation
- Delivery and Post Office Operations
- Finance
- Supply Management and Facilities
- Human Resources and Support
- Sales and Marketing
- Information Technology
- Data Analysis and Performance

Investigations

OI relies in part on the OIG's Countermeasures and Performance Evaluations (CAPE) data analytics function. CAPE uses data mining and predictive modeling to extract non-obvious patterns and relationships within data to better target the work of special agents (and auditors).

OI's structure and ongoing resource redeployment are designed to cover postal program vulnerabilities and are aligned geographically to the postal workforce with specialized units in Headquarters, including the Computer Crimes Unit and Cyber & Technical Operations Unit. With approximately 600 Special Agents stationed in more than 108 offices nationwide, OI meets its statutory responsibility by investigating internal postal crimes involving:

- Health Care Fraud
- Contract Fraud
- Financial Fraud
- Internal Mail Theft
- Official Misconduct

For each postal area, Special Agents in Charge develop domain awareness, including risk awareness based on the profile of vulnerabilities in the area. OI tracks the nature of criminal activity in order to direct its resources to anticipate the scope of investigative work.

Statutory Responsibilities

The Postal Service OIG was established pursuant to provisions of the Omnibus Consolidated Appropriations Act of 1997, Public Law 104-208, on September 30, 1996. General OIG authority is derived from the Inspector General Act of 1978, as amended, codified at 5 U.S.C. Appendix 3, §§ 1-13, which provides statutory responsibility to protect the integrity of Postal Service programs and operations, and to ensure that the mail service is administered with maximum economy and efficiency.

As prescribed by the IG Act, we will:

- Maintain our independence and objectivity to conduct and supervise audits and investigations relating to the programs and operations of the Postal Service;
- Recommend policies and practices to promote economy, efficiency, and effectiveness in the administration of Postal Service programs;
- Take appropriate action to prevent and detect fraud, waste and abuse in the Postal Service's programs and operations;
- Oversee all activities of the U. S. Postal Inspection Service, including any internal investigation performed by them;
- Keep the Governors and Congress fully informed about problems and deficiencies and the necessity for and progress of corrective action;
- Receive and, as appropriate, investigate complaints from any person or entity, including Congress;
- Report violations of law to the U.S. Attorney General;
- Review existing and proposed legislation and regulations;
- Protect the identity of whistleblowers; and
- Prepare and submit semiannual reports to the Governors and Congress.

The Postal Accountability and Enhancement Act of 2006 requires the OIG to regularly audit the data collection systems and procedures the Postal Service uses in collecting information used for its report to the Postal Regulatory Commission.