

March 8, 2022

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Audit Resolution – Management Alert - Air Mail Not Moving as Assigned at the Los Angeles Terminal Handling Services, Audit Number 21-201-R21 (Recommendations 3, 5)

Representatives of the Office of the Inspector General (OIG) and USPS management held an audit resolution meeting on February 14, 2022, to discuss management's disagreement with Recommendations #3 and #5 as stated in the September 7, 2021, management response in the subject audit report.

As a result of the meeting an agreement was reached pertaining to Recommendations #3 and #5, which reads as follows from the September 16, 2021, final audit report:

**Recommendation 3:**

We recommend, the **Vice President, Logistics**, 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.

**Management's Response:**

Mailers are required to prepare mailings per a Customer Service Agreement (CSA). Mail arrives at either the USPS facility or THS facility. For pallets that have assigned volume and are tendered directly to the THS, there is no notification to THS or USPS personnel if sorts, destinations, and/or separations are properly followed in accordance with the CSA. No action is required of a THS regarding a CSA or mailer irregularity. The THS requirements are to move volume received timely into the network in accordance with the placard provided on the mail. In the event a mailer missorts or misroutes volume that is tendered directly to the THS, there is no requirement for the THS to record or report missorted mailer volume.

**Recommendation 5:**

We recommend, the **Vice President, Logistics**, in coordination with the Vice President, Transportation Strategy, 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.

**Management's Response:**

Management partially agrees with the recommendation. Management will reinforce the requirement for the Terminal Handling Service Supplier at LAX THS to notify the postal service of any misrouted mail if the LAX THS personnel become aware of any mailer irregularity. The THS Supplier will be required to document any identified mailer irregularities in their daily operational reports.

**Target Implementation Date:**

March 31, 2022

**Responsible Official:**

Manager, Air Operations, Field

Sincerely,

Robert  
Cintron

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Robert Cintron  
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Robert Cintron  
Vice President, Logistics

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Jenny Grant