



SEMIANNUAL REPORT to CONGRESS

SPRING 2025

OCTOBER 1, 2024 - MARCH 31, 2025



A Message *from the* Inspector General

The United States Postal Service Office of Inspector General (OIG) provides oversight of a massive, complex organization that plays a vital role in the country as a facilitator of both communications and commerce. Our critical function is finding and stopping fraud, waste, and abuse within the Postal Service and its regulator. Our work identifies inefficiencies and provides actionable solutions to postal leadership. Over the last five years alone, our investigations have returned over \$2.6 billion to the federal government — including over \$400 million to USPS — and prevented future payments related to fraudulent activity of over \$1.2 billion.

Over time, fraud related to the Postal Service has become more complex. Criminal organizations have developed elaborate fraud schemes against the Postal Service and the federal government. There are significant efforts to recruit postal employees into the schemes — people who otherwise may have never thought to enter a life of crime. In response, we have developed sophisticated data analytics and AI tools that help our investigators identify anomalies where fraud may be occurring. This allows us to stop both the postal employees committing the crime and the external criminals who recruited them.

Our hotline receives hundreds of thousands of complaints annually and we are leaders in the IG community in making arrests and stopping crime, despite our current and limited resources. Our analytics and AI tools identify far more potential investigations than we can currently address given the size and scope of the Postal Service. While we are constantly finding new ways to use these tools to become more efficient and make the most of our resources, additional funding is needed to help us root out and stop further fraud, waste, and abuse.

Our work has measurable impact: Over the six-month period ending March 31, 2025, we returned over \$75.7 million to the federal government, including over \$13.4 million to the Postal Service. The results of our investigations and audits had a total monetary impact of over \$412.5 million. And our audits helped the Postal Service and Postal Regulatory Commission address both localized and systemic issues, with the agencies collectively accepting 83 percent of our recommendations.

I am proud of the work we have done to fight fraud and return money not only to the Postal Service but also back to the federal government. I look forward to the challenges ahead.



Tammy L. Hull
Inspector General, United States Postal Service



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The background of the page features a dark, blue-tinted photograph of several USPS delivery trucks. In the upper right, a row of trucks is parked, showing their rear and side profiles. In the lower half, two trucks are shown from a front-three-quarter view, driving on a road. The image is semi-transparent, allowing the white text of the table of contents to stand out.

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About Us

The U.S. Postal Service Office of Inspector General (OIG) provides essential oversight to the United States Postal Service (USPS) and its regulator, the Postal Regulatory Commission (PRC). Our work plays an important role in maintaining the integrity of America's postal system, its revenue and assets, and its employees. We uphold a vital mission for the American public: promoting the integrity, accountability, and efficiency of the U.S. Postal Service and its regulator. Every day our personnel work to preserve the public's trust by detecting and preventing fraud, waste, and abuse in USPS and PRC programs and operations.

During fiscal year (FY) 2024, our agency was made up of 928 personnel in 96 field offices across 39 states and 93 congressional districts to oversee a postal workforce of over 639,000 employees. While the scope and breadth of our work is extensive, we also have one of the lowest ratios of employees relative to our parent agency compared to other OIGs: There is only one of us for every 690 postal employees.

To better reach our audiences, we consistently communicate our work through various means, including our [website](#), [email updates](#), social media campaigns, and [digital stories and other dynamic content](#). Immersive digital stories showcase our work and highlight some of our biggest findings and investigations. These interactive stories cover a diverse range of topics, including this Semiannual Report to Congress.

To protect the Postal Service and the nation's longstanding trust, it is important our agency receive full funding of our budget request. Our full budget will enable us to continue playing a critical role in overseeing the Postal Service and the PRC, ensuring confidence in the timely delivery, integrity, and safety of the mail. Given the Postal Service is a key part of our nation's infrastructure, this funding will allow us to maintain major narcotics work (including reinstating our highly impactful Narcotics Task Force), combat fraud in government programs, and ensure measurement of delivery timeliness is transparent and accurately reported.

Office of Audit

Our [Office of Audit](#) is composed of five program areas:

- Field Operations
- Finance, Pricing & Human Capital
- Inspection Service, Technology & Services
- Mission Operations
- Retail, Marketing & Supply Management

Auditors in each directorate conduct independent audits and reviews of USPS and PRC programs and operations to identify fraud, waste, and abuse. These audits also promote economy by finding cost-saving opportunities for both the Postal Service and the PRC through recommendations to promote program integrity and improve areas where deficiencies or opportunities are identified.

Office of Investigations

The OIG remains committed to aggressively investigate any individual or criminal enterprise that exploits America's mail service for criminal profit. Our [Office of Investigations](#) (OI) has special agents located around the country to investigate allegations of internal crimes, fraud, and misconduct by USPS or PRC employees and contractors.

And thanks to our close collaboration with our law enforcement partners, we can extend the reach of OIG investigations beyond the Postal Service to help keep America safe.

Our investigative work focuses on:

- Internal Mail Theft
- Narcotics
- Health Care Claimant Fraud
- Health Care Provider Fraud
- Contract Fraud
- Financial Fraud
- Official Misconduct

OI also has specialized units that include the Cyber Crimes Unit, Organized Crime Investigative Unit, and the Office of Professional Responsibility. Collectively, our investigations help ensure the integrity of postal processes, finances, and personnel.

Research and Insights Solution Center

The [Research and Insights Solution Center](#) (RISC) is the OIG's data analytics and research component. Our data analytics personnel support our agency's core mission by providing comprehensive analytical services and tools to our auditors, special agents, senior leaders, and stakeholders.

Our researchers analyze strategic, operational, and policy issues affecting the Postal Service and publish white papers that provide key insights and information on matters significantly impacting current and future postal operations.

Summary of Performance

For the period: October 1, 2024 – March 31, 2025

AUDITS and WHITE PAPERS



Questioned Costs:
\$121,950,373



Revenue Impact:
\$10,016,853



Funds Put to Better Use:
\$135,437,662

Total: **\$267,404,888**

Reports Issued: **46**

Recommendations Issued: **156**

Total Reports with Financial Impact: **10**

INVESTIGATIONS¹

Investigations Completed: **1,442**

Arrests: **365**

Indictments/Informations: **396**

Convictions/Pretrial Diversions:² **407**

Administrative Actions: **703**



Amount to the Postal Service:³
\$13,438,690



Cost Avoidance:
\$69,408,164



Fines, Restitution, and Recoveries:
\$75,702,781

HOTLINE CONTACTS



Facsimile
159

Voicemail Messages
1,195

Telephone Calls
16,616

Standard Mail
1,037

Email
23,137

Webforms
16,311

Total Contacts:
58,455

¹ Statistics include joint investigations with other law enforcement agencies.
² Convictions reported in this period may be related to arrests in prior reporting periods.
³ Amounts are totals to USPS resulting from joint investigations with other OIG, federal, state, and local law enforcement entities.

Mail Theft

Mail Theft



Recent years have seen a rise in criminal organizations that target employees to steal financial instruments from the mail, such as checks, credit cards, and debit cards. The OIG will hold accountable those who break the law or abuse the system and will deter criminals from taking advantage of the Postal Service. The following cases underscore the value of this important work.

USPS OIG Busts Massive Check Theft Ring

The volume of mail that USPS processes every day is stunning — more stunning still is the damage that can occur when a postal employee steals mail as part of a criminal enterprise. Our special agents partnered with the U.S. Postal Inspection Service (USPIS), Internal Revenue Service, and the Charlotte Mecklenburg Police Department to investigate what has become the largest mail theft conspiracy in the history of the Western District of North Carolina.

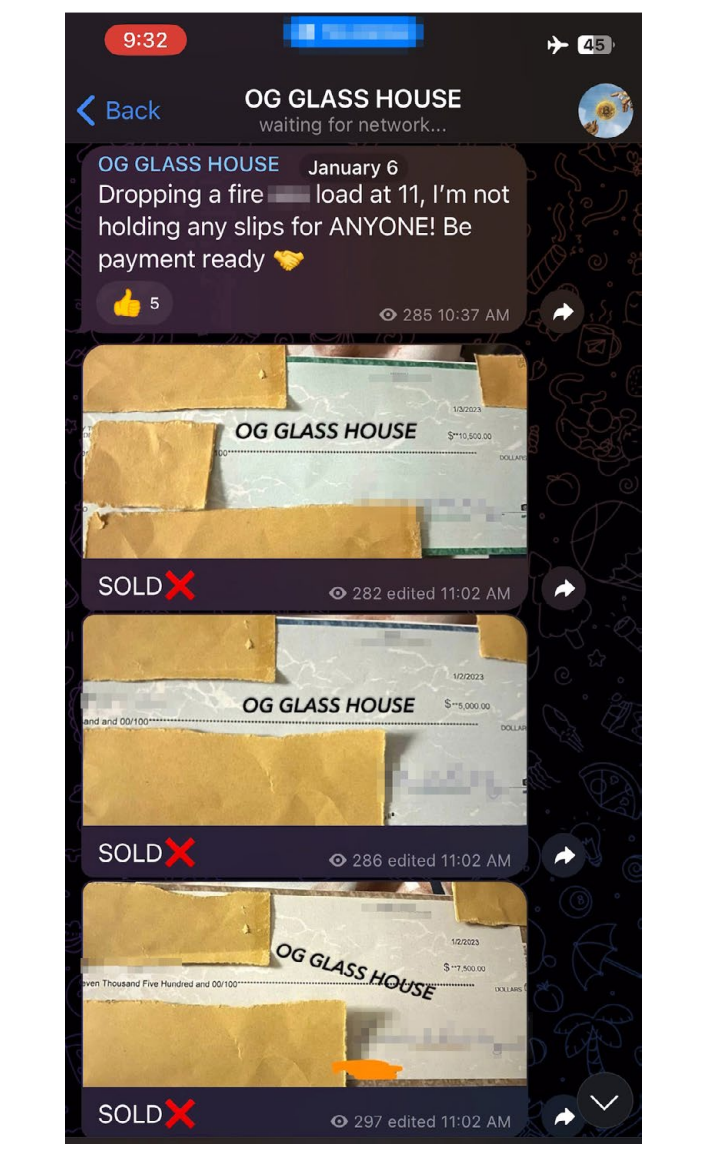


A \$370,000 stolen check the criminal organization sold on the social media app.
Source: OIG photograph.

Investigators infiltrated a check theft ring responsible for stealing more than \$24 million worth of business and U.S. Treasury checks from the mailstream *in just a few months*. Using specialized investigative techniques, we identified a mail processing clerk at the Charlotte Processing and Distribution Center (P&DC) who supplied two external suspects with the stolen checks. One of them, the ringleader, sold the checks through a popular social media app, pocketing hundreds of thousands of dollars in profits.

The postal employee was promptly terminated, and the suspects were charged, pleaded guilty, and received a combined prison sentence of 14 years, with the employee receiving the longest sentence of five years. Each was also ordered to pay over \$110,000 in restitution to the victims. Our [Investigative Case Highlights](#) story has more.

OIG Mail Theft Investigations for the period: October 1, 2024 - March 31, 2025	
Investigations Closed	872
Arrests	254
Indictments/Informations	267
Convictions/Pre-trial Diversions	249
Administrative Actions	484
Fines, Restitution, and Recoveries	\$5,823,824
Amount to the Postal Service	\$192,778



Evidence of the marketplace where thousands of stolen checks were advertised and sold.
Source: OIG photograph.

Mail Theft



Brooklyn Bling Ring Sentenced to Combined 27 Years in Prison

Similar to our [Manhattan bling ring case](#), a parallel probe was prosecuted in Brooklyn. Our special agents received an anonymous tip alleging credit cards were being stolen from the mailstream at a local postal facility.

Working with USPS and NYPD detectives, our investigators tracked down three postal employees who colluded with six external suspects to steal credit cards from the mail. The employees provided the cards, and the others used them to buy luxury goods from high-end retailers and major department stores. The six then sold the items on an online consignment store they ran that allegedly specialized in “pre-owned luxury items” guaranteed to not be fake or counterfeit.

Our agents and their law enforcement partners executed search warrants on the store’s warehouse and the home of one of the suspects, finding hundreds of ill-gotten goods totaling over half a million dollars. The losses associated with this investigation totaled about \$1.3 million.

The three employees resigned from the Postal Service and pleaded guilty to conspiracy to steal mail while employed at USPS. The other six suspects pleaded guilty to charges including conspiracy to commit access device fraud and aggravated identity theft. The government seized the store’s website for its involvement in the fraud, and the court sentenced all nine to a combined 27 years in federal prison and ordered them to pay over \$536,000 in restitution. Our [Investigative Case Highlights](#) has the full story.



Click on the above image to read the digital story on this OIG investigation.

Mail Theft Through the Audit Lens

Our Office of Audit plays a key complementary role to our mail theft investigations by evaluating the Postal Service’s and USPS’s efforts to mitigate and deter mail theft. Our [audit](#) on USPS’s efforts to mitigate internal mail theft found opportunities for the agency to address internal control weaknesses to help decrease mail theft by postal employees.



Personal belongings on workroom floor at the Kansas City P&DC observed during our audit on mail theft mitigation.

Source: OIG photograph.

Among our findings was that internal mail theft was prevalent in processing facilities around the country due to a lack of a nationwide policy restricting personal belongings on the workroom floor, which can be used to conceal stolen mail. USPS officials also did not monitor the operational status of security cameras. Postal management disagreed with one of the four recommendations in this report.

In FY 2024, the OIG launched a new audit series on USPS’s mail theft mitigation and response. In this reporting period, we issued two such reports for the [Sacramento, CA](#), and [Houston, TX](#), areas.

In both areas, our auditors found issues with arrow key accountability, the oversight and theft prevention for cluster box units, and the oversight of collection and relay boxes. In Houston, we also found deficiencies in the implementation of USPS’s new electronic arrow locks and high security collection boxes. Postal management agreed with all eight recommendations in the Sacramento report and disagreed with one of 11 recommendations in the Houston report.

Narcotics





As America wages its war on drugs, the OIG remains steadfast in its mission to combat narcotics trafficking through the U.S. Mail, both domestically and internationally. This comes as drug trafficking organizations (DTOs) increasingly target postal employees due to their access to the Postal Service’s vast delivery network. Thus, our focus continues to be on those who use their position of trust to collude with DTOs or profile packages in an independent capacity to obtain or sell illicit drugs.

Disrupting a \$1M Drug Trafficking Scheme

This case started with an allegation that Postal Service employees in Long Island, NY, were trafficking drugs from California through the mail. Our special agents partnered with investigators from the Federal Bureau of Investigation, USPIIS, and the Nassau County, NY, District Attorney’s Office to narrow down the pool of suspects. They quickly zeroed in on a postal employee who had been delivering dozens of suspicious packages along her route.

Investigators seized a 9-kilogram package of cocaine and a 1-kilogram package of deadly fentanyl — about the weight of a large watermelon and a liter of water, respectively. The mail carrier confessed a man outside the Postal Service had approached her with an offer promising easy money.

The joint investigation uncovered the postal employee delivered about 180 drug parcels. OIG special agents arrested the employee, who was later convicted and sentenced to five years’ probation. As for her partner in crime — he was also apprehended, convicted, and sentenced to eight years in prison for trafficking an estimated \$1 million worth of cocaine and fentanyl. Our [Investigative Case Highlights](#) has the full story.

OIG Narcotics Investigations For the period: October 1, 2024 - March 31, 2025	
Investigations Closed	144
Arrests	38
Indictments/Informations	40
Convictions/Pre-trial Diversions	79
Administrative Actions	56
Fines, Restitution, and Recoveries	\$753,501
Amount to the Postal Service	\$40,722



Two kilograms of cocaine seized from a parcel during the Long Island investigation.
Source: OIG photograph.



USPS OIG Brings Collusive Employees, Suspect to Justice

Our special agents received a tip from USPIS about a suspicious Express Mail parcel going from Puerto Rico to a PO Box at a local post office in Texas. After finding two more PO Boxes had also received similar parcels, they narrowed their suspects to a retail associate assigned to work that area of the post office. Executing a federal search warrant, investigators intercepted a package containing 2 kilograms of cocaine inside hollowed out reams of paper.

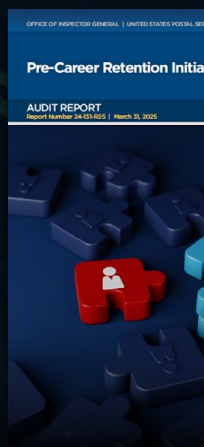
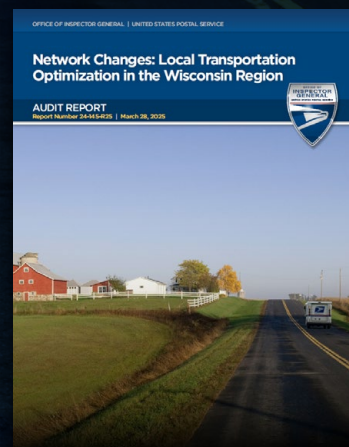
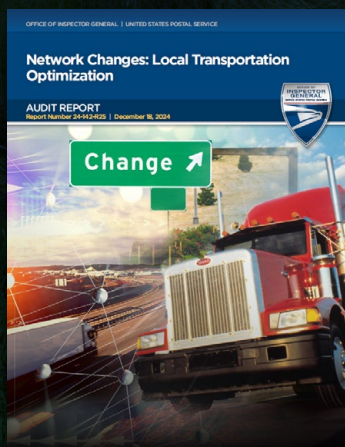
Investigators also found the employee and another colleague opened the PO Boxes without a hardcopy customer application, rendering them fictitious. Evidence showed the first employee placing parcels into one of the PO Boxes and coordinating a pickup by another co-conspirator who wasn't employed by the Postal Service.

By the time they were stopped, the three had moved about 15 to 17 kilograms of cocaine through the PO Boxes, each kilogram with a street value of up to \$35,000. Both postal employees resigned from the Postal Service soon after the agency signaled their forthcoming termination. The initial employee and his external co-conspirator were each criminally charged, resulting in sentences of two and a half years in prison and the second employee was sentenced to time served.



A kilogram of cocaine concealed inside a hollowed out ream of paper seized during the Texas investigation.
Source: OIG photograph.

Delivering *for* America





Significant Changes in the Postal Network

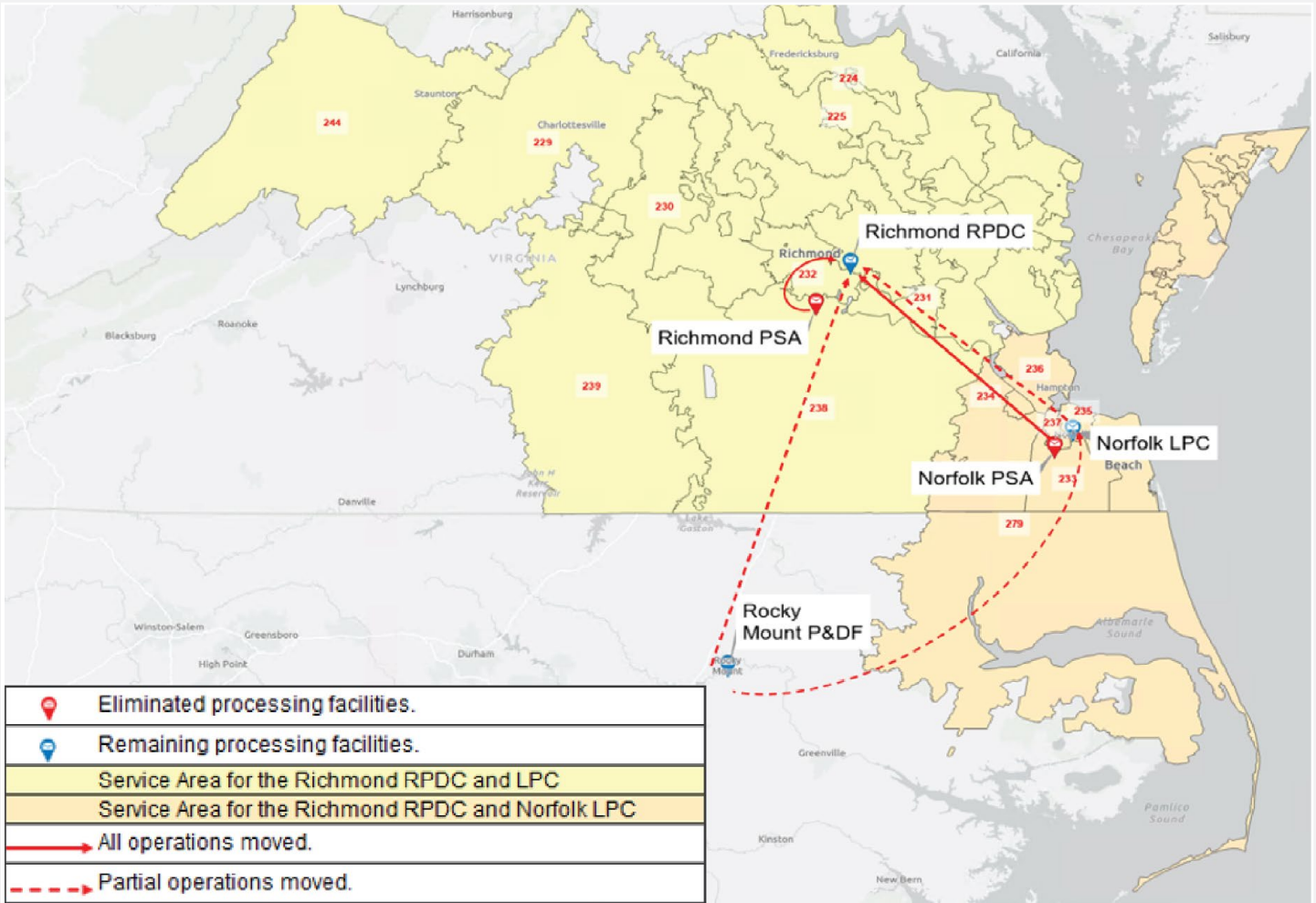
In 2021, the Postal Service announced its 10-year Delivering for America (DFA) plan to achieve financial sustainability and service excellence. The plan outlines significant changes to many parts of the agency’s operations, which include redesigned processing, transportation, and delivery networks. This includes plans to invest \$40 billion to create a modernized delivery network based around new Regional Processing and Distribution Centers (RPDC), local processing centers, and sorting and delivery centers.

The Postal Service rolled out its first RPDC in Richmond, VA, in July 2023, consolidating operations from nearby facilities; however, service dropped significantly. We issued an initial [audit](#) on these issues in March 2024. In January 2025, we issued a follow-up [audit](#) on the RPDC, finding the Postal Service stabilized operations and achieved most of the expected savings for FY 2024; however, some of the earlier challenges we identified in the previous audit persist.

While USPS improved service performance in the Richmond region since January 2024, scores remain below targets and levels before the redesign. The Postal Service continues to experience challenges with leadership instability, aligning transportation schedules, integrating operations in the region, and low employee availability. Addressing these issues would help the agency further reduce costs and improve operations and service.

Postal management agreed with five recommendations but disagreed with our recommendation to develop and execute a comprehensive plan to improve transportation performance, noting such a plan already exists and that performance is “within normal operational ranges.” As with all disputed recommendations, we are working with postal management through the formal audit resolution process.

Richmond RPDC Service Area



Source: U.S. Postal Service Office of Inspector General (OIG) analysis based on USPS Decision Analysis Report for the Richmond RPDC.

Delivering *for* America



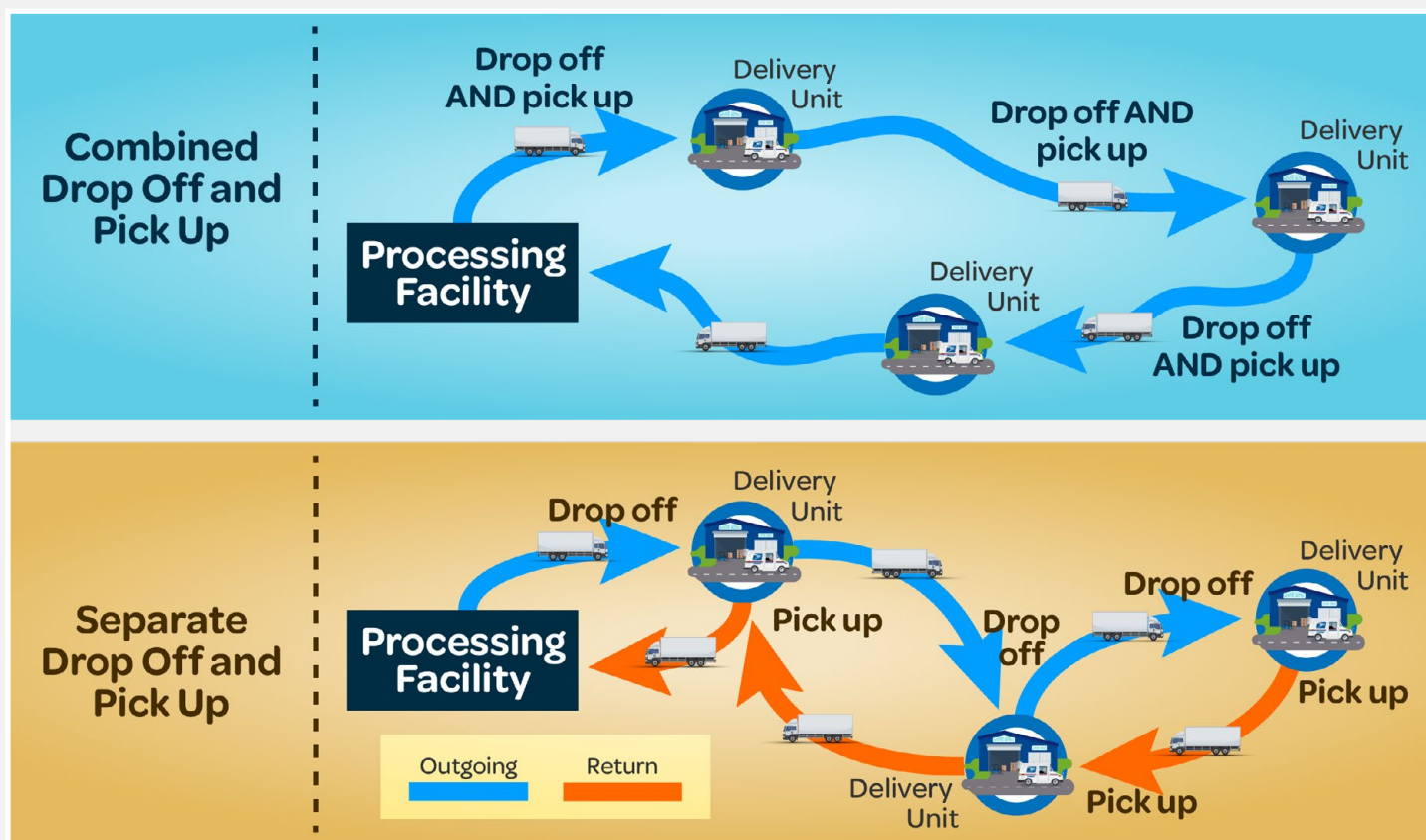
Another major DFA initiative is Local Transportation Optimization (LTO), which is designed to reduce the number of transportation trips to and from select post offices and increase the amount of mail transported on each trip. In October 2023, the Postal Service began deploying the LTO in the Richmond, VA, region followed by 14 more regions across the nation through August 2024. Our auditors reviewed all 15 LTO regions.

The December 2024 [audit](#) found that delaying the transportation of mail at LTO-impacted offices resulted in an overall decrease in First-Class Mail service performance to the American public served by these facilities. We also found rural populations were impacted about five times more than urban populations throughout the 15 regions. Further, USPS did not adequately inform the public of the offices affected by the LTO initiative. The agency also did not maintain an accurate list of optimized offices, which negatively affected its ability to calculate realized cost savings.

Postal management agreed with our two recommendations, including one to notify affected customers of the changes to optimized offices and impacts to service. The agency also noted that LTO was a limited pilot and that lessons learned led to it changing the service standards. As a result, the Postal Service is now implementing the newer Regional Transportation Optimization initiative to attempt to optimize the benefits of this approach.

Our [audit](#) report issued this March on LTO implementation in the Wisconsin region found a similar decrease in service. Rural communities were more significantly impacted, and customers were again not notified of potential impacts. More specifically, the LTO affected 24 percent of the total population in the region, and of the ZIP Codes affected, 63 percent of the population was considered rural. Postal management agreed with three of our four findings, and four of our six recommendations.

LTO Route Optimization



Source: Postal Service presentation dated October 25, 2023.

Delivering *for* America



Improving Internal Controls to Save Money

Our auditors found two areas where the Postal Service can improve its internal controls and oversight to enhance cost savings, on-time package delivery, and its bottom line. First, in April 2022, USPS implemented two new systems to increase the efficiency and reliability of its transportation network: the Contract Logistics Enterprise Acquisition Resource (CLEAR) System and the Transportation Management System (TMS). The TMS relies on rate information from the CLEAR system to generate accurate trip payments. For context, USPS spent about \$2.3 billion on dedicated transportation services from April 2022 through March 2024.

Our [audit](#) looked at the effectiveness of CLEAR and the accuracy of Highway Contract Route (HCR) trip payments in the TMS, finding opportunities to improve controls over HCR supplier payments. For instance, the Postal Service paid suppliers the full rate for trips it canceled with at least four hours' notice, rather than a proportional percentage.

We estimate the issues identified resulted in questioned costs of about \$1.3 million in FY 2023 and, more significantly, \$37.5 million in FY 2024. Management disagreed with one of four recommendations we made but has since agreed to it after the audit resolution process.

Second, our [audit](#) on USPS's oversight of Parcel Select found the agency audited some contractual obligations, but failed to identify millions of packages dropped at the wrong location. Parcel Select is an economical ground delivery service offered to medium-to-large parcel shippers. It is the largest USPS package offering by volume, with about 3.6 billion packages in FY 2023 and more than \$10 billion in revenue.

Specifically, we found the Postal Service did not identify 45.4 million packages dropped at the wrong location, making the packages ineligible for discounted Parcel Select pricing. The agency also did not automate processes or systems to track location-based compliance and did not collect millions of dollars in owed postage. Finally, USPS also delivered (rather than held) over 80,000 overweight or oversized packages without collecting penalty fees, resulting in an additional loss of \$7.6 million in revenue. Postal management agreed with seven of eight recommendations.

Flow of Destination Delivery Unit Packages



Source: OIG graphic based on USPS Parcel Select Mail Preparation and Procedures.

Delivering *for* America



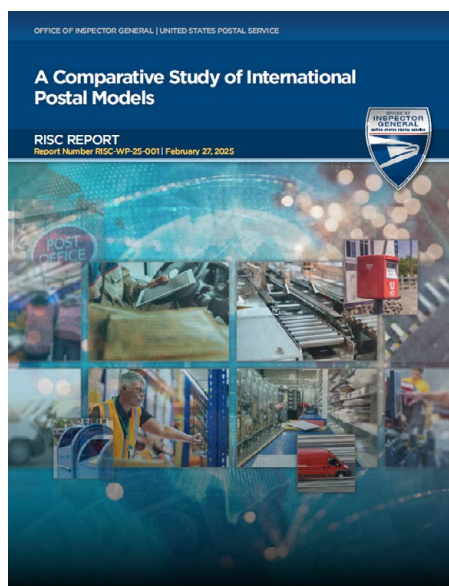
Strategies to Retain Pre-career Employees

The Postal Service's operations depend on its 637,000 employees, of which nearly 104,000 are pre-career employees who do not receive the same level of benefits as their career counterparts. USPS created the 511 National Initiative to address the two biggest reasons for turnover identified in non-career exit surveys: challenges with schedule flexibility and supervisor relations. Without effectively improving the pre-career employee experience, there is an increased risk of turnover, which directly affects employee availability and retention.

Our [audit](#) found opportunities exist for the Postal Service to improve the 511 initiative and its national standardization of the pre-career employee experience and retention. Namely, we found USPS has not expanded its pre-career pilot site

locations since 2022, and did not create new pre-career retention pilot programs in FYs 2023 or 2024. Further, the 511 Initiative was not fully understood nationwide, and challenges exist with pre-career employees receiving coaching and feedback from facility management.

These issues were due in part to the National Association of Letter Carrier's Collective Bargaining Agreement expiring. They also happened because not all facility management was required to take the relevant training and because facility management cited other duties took priority. Postal management agreed with our five recommendations. However, it disagreed with the reported monetary impact amount of over \$1.4 million.



How Does USPS Compare to Its International Counterparts?

Our Research arm published a [white paper](#) comparing 26 postal operators — the Postal Service and 25 international counterparts. Here are a few highlights:

- Many posts that are private corporations are still fully or partially owned by government — very few are fully privatized.
- About half of the sampled foreign posts were loss-making in 2023.
- While U.S. law grants USPS more flexibility to set service standards, several aspects of the Universal Service Obligation (USO) are more constraining than many other posts, including a wider scope of services and a six-day delivery requirement.
- USPS faces more business restrictions than most other posts, especially when borrowing funds, managing pension obligations, and diversifying outside the core postal business.

A [digital story](#) provides a more thorough summary of the paper's findings.

Service Performance

Service Performance



Field Operations Reviews

Prompted by congressional requests or service performance indicators, Field Operations Review Teams (FORT) perform localized, facility-specific audits related to mail processing, logistics, and delivery networks. As part of these reviews, the OIG performs a cluster of audits at the same time — one audit team visits one or two mail processing plants, and other teams visit three to five delivery units that receive mail from that processing plant. In this reporting period, we conducted [field operations reviews](#) in the following districts: [Alabama-Mississippi](#), [Colorado-Wyoming](#), [Georgia](#), [Massachusetts-Rhode Island](#), and [Ohio 2](#).

Of note is the Alabama-Mississippi district, which was impacted by the Postal Service's LTO initiative. LTO eliminates the evening mail pickup at post offices for transportation to a processing center. Mail and packages sent from these offices, as well as mail collected by carriers on their routes, stay at the delivery unit until the next morning to be transported to a processing center.

At the three delivery units we visited in the Alabama-Mississippi district, we identified package scanning and handling issues and a combined total of 7,871 pieces of delayed mail, which management did not report into the appropriate system. Two delivery units did not maintain proper controls over arrow keys, which open and secure blue collection boxes and cluster box units, such as those in apartment buildings. Further, from January 1 through June 30, 2024, we found the district did not meet target performance scores for First-Class Mail, Priority Mail, and Ground Advantage products mailed within the district. Marketing Mail did not meet the targets for most of the district's 3-digit ZIP Codes.

At the Birmingham P&DC and Mail Processing Annex, we identified issues with mail processing clearance times; delayed mail; late, canceled, and extra outbound truck trips; mail equipment scan compliance, and safety and security conditions. Postal management agreed with our 11 recommendations for this cluster.

The Postal Service defines service performance as the time it takes to deliver a mailpiece or package from its acceptance through its delivery. At delivery units, FORT evaluates five consistent criteria that directly impact service performance:

- Delayed mail
- Package scanning
- Property conditions
- Arrow keys
- Carrier separations and transfers



Delayed Mail found at the Tuscaloosa Main Post Office in Alabama.
Source: OIG photo taken July 9, 2024.

Also of note is the Massachusetts-Rhode Island cluster, which came in response to a delegation of U.S. senators and representatives to review service performance, employee retention/vacancies, as well as select lease and facility suspensions in Massachusetts. There, we also found package scanning and handling issues at all three delivery units, and 10,829 pieces of delayed mail at two units. More alarmingly, we identified 58 arrow keys that were missing at the three delivery units. Postal management took immediate action to address most of the findings identified in the interim reports and will address the remaining three recommendations identified in the capping report.

At the Boston P&DC, we identified issues with delayed mail; late, canceled, and extra outbound truck trips; mail equipment scan compliance; and safety conditions. Postal management agreed with our eight recommendations to address the issues we found.

Service Performance



Other Notable Service Performance Issues

Among our other service performance work are two notable cases: **Florida's third district** saw significant issues with First-Class Mail performance as did **Michigan's first district** with Priority Mail Express (PME).

Service performance is generally higher for mail that is collected and delivered within the same district, given the mail has less distance to travel. However, we found Southeast Florida did not meet the on-time delivery goal for in-district First-Class Mail over the last two years. We found processing facilities there failed to meet processing goals, which led to mail being sorted by hand. Mail carriers did not always collect mail from collection boxes or verify that all mail was delivered each day. Supervisors also did not use USPS communication systems to effectively report and resolve service issues. We made five recommendations to address the issues identified in the report, with which Postal Service management agreed.

As for PME in the Michigan 1 District, it is important to note that customers rely on PME — USPS's fastest product — to ship important, time-sensitive documents and packages. We found the Postal Service is at risk to unnecessarily pay out refunds of about \$41,000 every 30 days.

Michigan 1 District's combined PME service performance saw a sizeable decrease in on-time delivery from FY 2023 to FY 2024. Three of the seven delivery units visited (about 43 percent) did not follow policy to deliver or attempt to deliver

PME on the day it arrived from the Detroit Network Distribution Center (NDC). Employees at the NDC also did not effectively execute the operating plan for PME originating in its service area, which increased the risk that PME missed transportation to the airport, delaying subsequent operations and delivery.

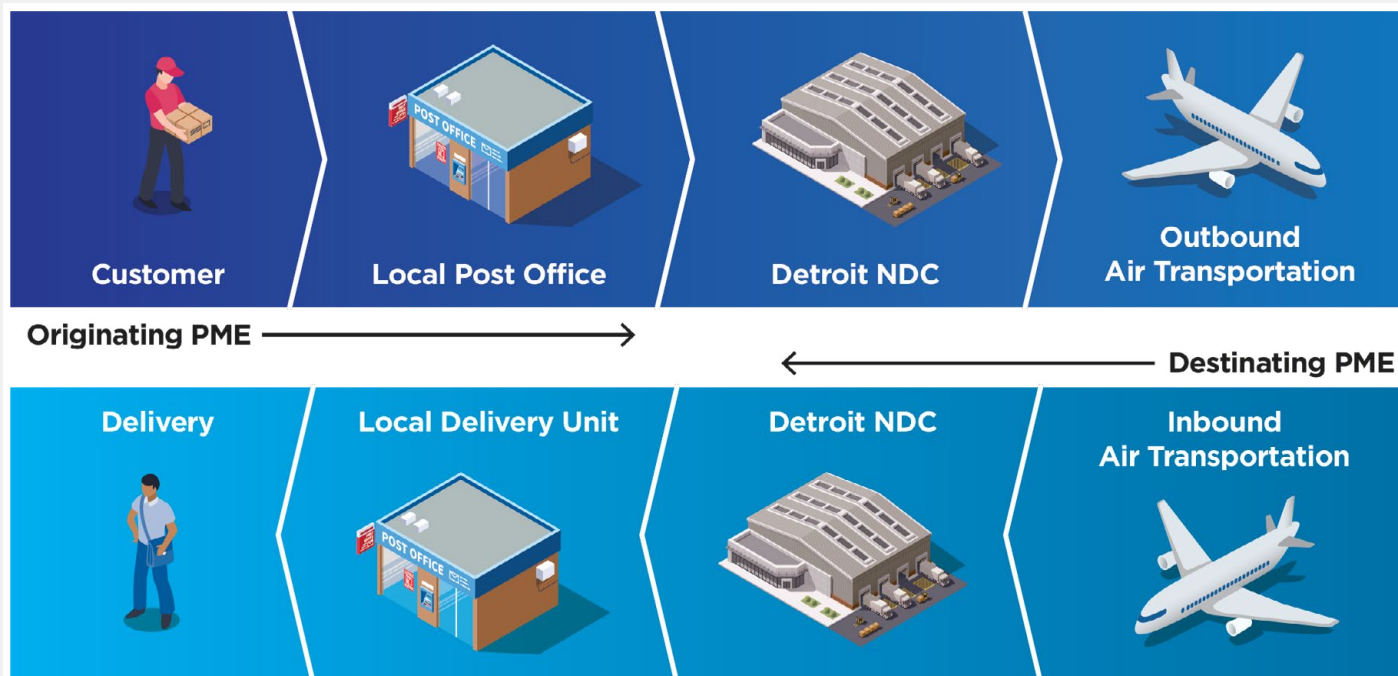


Unprocessed PME from delivery units that arrived at the Detroit NDC before the 9 p.m. critical entry time.

Source: OIG photo taken at the Detroit NDC August 20, 2024, at 8:52 p.m.

Finally, we found that in FY 2024, the Postal Service incurred about \$570,000 in questioned costs due to PME postage refunds issued in the Michigan 1 District. Postal management agreed to all six recommendations and the associated monetary impact.

Simplified PME Mailflow for Michigan 1 District



Source: Based on OIG review of Postal Service data and site visits the week of August 19, 2024.

Fleet Modernization



Fleet Modernization



The State of USPS's Delivery Vehicle Acquisition

Consistent with its DFA plan and with a goal to help reduce costs and enhance safety and service, the Postal Service is modernizing its aging delivery fleet of over 227,000 vehicles. Between FYs 2023 and 2028, the agency plans to acquire 106,480 new vehicles, which include a mix of purpose-built vehicles — such as Next Generation Delivery Vehicles (NGDV) — and commercial-off-the-shelf (COTS) vehicles, and internal combustion engine (ICE) and battery electric vehicles (BEV).

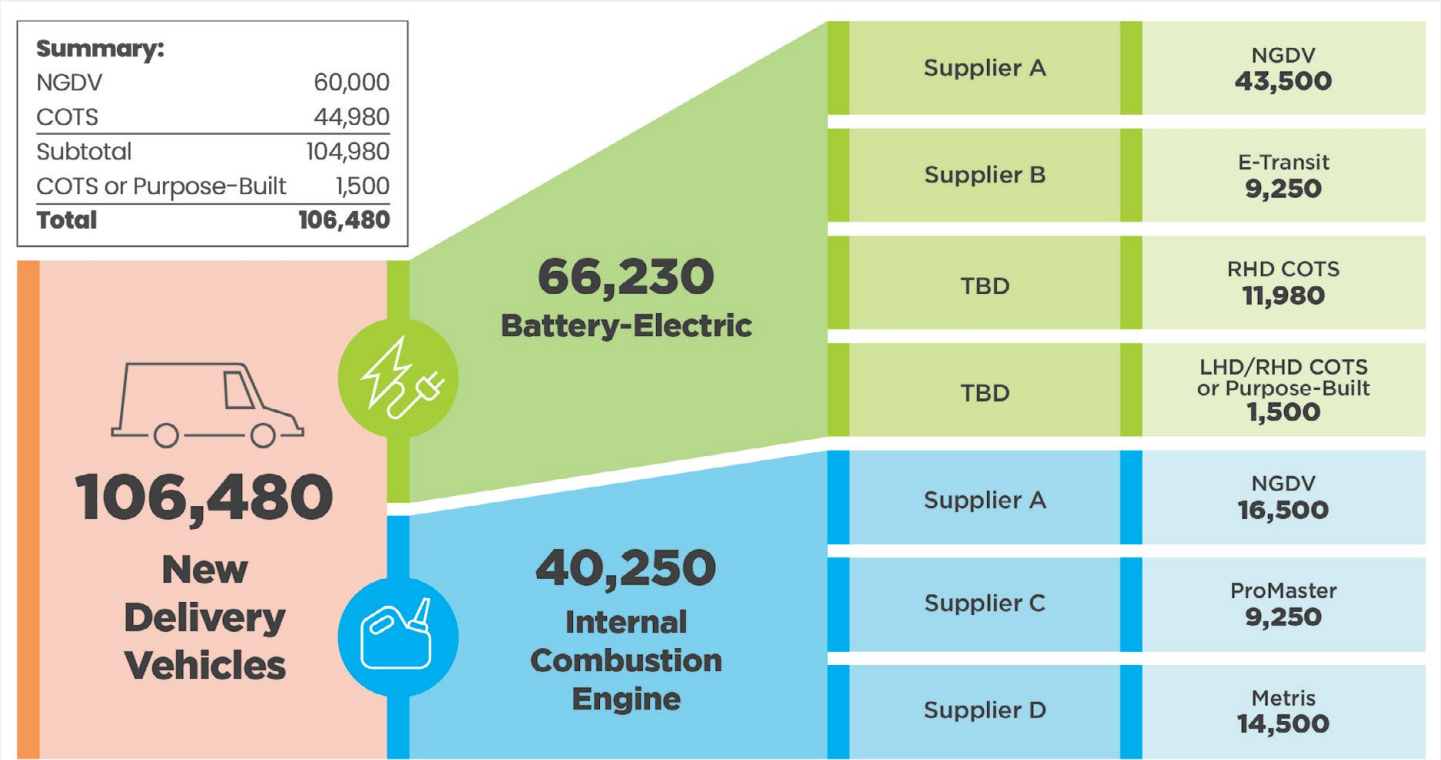
Our audit looked at USPS's new delivery vehicles acquisition status, finding about 22,500 new delivery vehicles, mostly COTS ICE, were acquired as of June 2024. Timely acquisition of these vehicles was mixed, with some arriving on time, while others experiencing monthslong delays. The delays were due

to supplier design, production, and supply chain issues, or inadequate Postal Service infrastructure preparedness.

Ongoing delays will continue to put the timelines for fleet modernization, cost savings, and sustainability at risk. We estimated acquisition delays postponed over \$77 million in expected savings between FYs 2024 and 2025. Further, the Postal Service did not include data on financial and sustainability impacts associated with the ongoing delays or potential options or strategies going forward.

Management disagreed with our finding, impact, and recommendation to include pertinent financial and sustainability impact data in its vehicle acquisition strategy and related contingencies.

USPS Delivery Vehicle Acquisition Plan, FYs 2023-2028



Source: OIG analysis of USPS vehicle acquisition data.

Fleet Modernization



Disposal of Old Delivery Vehicles

As the Postal Service moves forward on its acquisition of new delivery vehicles, it is disposing of old long-life vehicles (LLV), which comprise about 44 percent of USPS's fleet and have exceeded the projected 24-year life span.

Our audit looked at the agency's internal controls over the disposal process of LLVs and evaluated its disposal plans. We found the Postal Service had ineffective controls over the LLV disposal program.

As a result, we estimated over \$452,500 in lost revenue for almost 11,260 disposals without associated scrappage payments between October 2023 and April 2024. We also estimated over \$3.8 million in at-risk revenue for 95,320 LLV planned disposals.

Postal management agreed with our finding and three recommendations. And, in anticipation of the increase in LLV disposals, USPS awarded a contract this January for a supplier to manage the program.

Improving Logistics of Postal Vehicle Service Operations

In this reporting period, we also evaluated the Postal Service's management of Postal Vehicle Service (PVS) operations, which use a fleet of delivery vehicles to move large mail volumes between postal sites, local firms, and mailers. PVS is a sizeable part of business, incurring \$1.3 billion in operating expenses in FY 2024 alone.

We looked for areas in which management of PVS can be improved, finding the Postal Service did not always insource highway contract routes when economically useful. We recommended ways to better prepare local level management to oversee newly hired employees and provide them with training to effectively perform PVS operations.

We also found postal management did not always maintain adequate staffing levels to effectively perform PVS operations or maintain adequate driver's personnel records in appropriate Postal Service systems. During FY 2024, USPS incurred \$39.3 million in questioned costs for grievances and unauthorized overtime related to these issues. Management, however, disagreed with nine of the 11 recommendations we made.

The Postal Service
is investing

**\$9.6
billion**

to modernize
and electrify
its delivery fleet

The Postal Service
plans to acquire

106,480

new delivery
vehicles between
FYs 2023 and 2028



The Postal Service
approximates
recycling up to

105,573

vehicles which
include

95,320 LLVs

Source: OIG graphic based on USPS data.

Senior Executive Investigations



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

Substantiated Allegations:

1. The OIG received a complaint that a Postal Service executive and member of the Executive Leadership Team had a romantic relationship with a subordinate manager and provided preferential treatment and financial gain.

During the investigation, the OIG substantiated 10 findings:

1. The executive concealed a romantic relationship with a subordinate manager and participated in decisions and discussions affecting the private gain of the subordinate.
2. The executive provided false statements to the OIG.
3. The executive recommended and approved the subordinate for the highest compensatory award amount, in comparison to 35 peers. The executive was the evaluator on two end-of-year evaluations and awarded the subordinate with performance bonuses both years.
4. The executive was involved in the subordinate's EEO settlement discussions with the USPS Law Department. The executive advocated for the subordinate while never divulging the nature of their relationship. The subordinate seemed to have foreknowledge of postal settlement offers, and the executive admitted to discussing the settlement before the subordinate signed the agreement.
5. The executive was involved and interfered with hiring decisions affecting the private gain of friends and associates.
6. The executive influenced subordinates to issue disciplinary actions they normally would not have issued, denying employees a fair and impartial process.
7. The executive misused official time calling and texting the subordinate during work hours for an excessive amount of time.
8. The executive violated the privacy act and information security policy by sharing private information with the subordinate via personal email.

9. The executive contacted witnesses in the OIG investigation and coached them on how to respond to the OIG's questions.
10. The executive failed to report required information on the Public Financial Disclosure Report.

This investigation was referred to Department of Justice but not accepted for prosecution. The OIG provided its Report of Investigation (ROI) to USPS for appropriate action. USPS concurred with findings 1, 2, 3, 4, 7, 8, 10 and acknowledged the appearance issues and lack of judgement associated with findings 5, 6, and 9. The executive received a 30-day suspension without pay and a lateral job reassignment.



Senior Executive Investigations



2. The OIG received a complaint that a Postal Service executive directed their staff to underreport delayed package mail volume in USPS's Informed Visibility Mail Condition Visualization (MCV) system.

During the investigation, the OIG found counts entered in MCV reflected fewer containers of package mail than what was reported by the floor managers due to instructions given by the executive. The OIG found differences in opinion and practice on the best way to count package mail volume.

This investigation was not referred for prosecution. The OIG provided its ROI to USPS for appropriate action. In response, the proper way to count mail was reviewed and discussed with division staff.

3. The OIG received a complaint that a Postal Service manager sexually harassed two female employees on three separate work-related trips, creating a hostile work environment.

During the investigation, the interviews disclosed a pattern of harassing behavior by the manager towards each employee. On each trip, the manager had employees change hotel rooms to be closer to

his room and invited the employees to his room after-hours for purported work-related issues. However, both employees said the manager never discussed anything work-related. The manager offered to show an employee inappropriate sexual videos and the manager kissed an employee without consent. The manager denied the allegations but admitted it was inappropriate to have subordinate employees in his hotel room.

This investigation was not referred for prosecution. The OIG provided its ROI to USPS for appropriate action and the executive received a reduction in grade and reassignment.

Unsubstantiated Allegations:

During the reporting period, one instance of alleged misconduct by a PCES employee was unsubstantiated.

The OIG investigated an allegation that a Postal Service manager provided preferential treatment and financial benefit to another manager due to a romantic relationship. The investigation disclosed no information to substantiate the allegation.

Whistleblower Reprisal Investigations



U.S. Postal Service

During the reporting period, there were no substantiated whistleblower reprisal allegations.

Postal Regulatory Commission

During the reporting period, there were no substantiated whistleblower reprisal allegations.

WHISTLEBLOWER REPRISAL ACTIVITY

For the Report Period:
October 1, 2024 – March 31, 2025

89 Allegations
Received

1 OIG Investigations
Initiated

0 Investigations Closed
with No Action

94 Allegations Closed
with No Action

0 OIG Found
Reprisal



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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, 2024 – March 31, 2025

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	18	—	—	—	—
Finance, Pricing & Human Capital	10	\$1,437,662	\$79,490,662	\$78,954,861	—
Inspection Service and Cybersecurity & Technology	4	—	—	—	—
Mission Operations	7	—	\$41,702,912*	\$38,171,691	\$40,976
Retail, Marketing & Supply Management	6	\$134,000,000	\$756,799	\$756,799	\$9,975,877*
Subtotal	45	\$135,437,662	\$121,950,373*	\$117,883,351	\$10,016,853*
PRC	—	—	—	—	—
RISC	1	—	—	—	—
Total	46	\$135,437,662	\$121,950,373*	\$117,883,351	\$10,016,853*

*Denotes commercial information not included and exempt from disclosure under 39 U.S.C. § 410(c)(2).

Appendix A: Reports Issued to Postal Service Management



Reports with Quantifiable Potential Monetary Benefits

For the period: October 1, 2024 - March 31, 2025

	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Finance, Pricing & Human Capital					
Human Capital Management					
Postal Vehicle Service Operations, 24-093-R25, 3/27/2025	1	—	\$79,490,662	\$78,954,861	—
Pre-Career Retention Initiatives, 24-131-R25, 3/31/2025	1	\$1,437,662	—	—	—
Mission Operations					
Delivery Operations					
Priority Mail Express: Michigan 1 District, 24-135-R25, 12/16/2024	1	—	\$569,762	—	\$40,976
Security and Efficiency of the New Carrier Scanners and Electronic Locks, 24-089-R25, 11/5/2024	1	—	—*	—	—
Network Processing					
Network Changes - Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center, 24-152-R25, 1/27/2025	1	—	\$2,358,151	—	—
Transportation					
Review of Highway Contract Routes in the Contract Logistics Enterprise Acquisition Resource System, 24-121-R25, 3/31/2025	1	—	\$38,774,999	\$38,171,691	—
Retail, Marketing & Supply Management					
Infrastructure and Supply Management					
Controls Over Purchase Card Facility Repairs, 24-057-R25, 10/31/2024	1	—	\$756,799	\$756,799	—
Fleet Modernization: Disposal of Long-Life Vehicles, 24-092-R25, 2/26/2025	1	—	—	—	\$452,506
Retail					
Retail and Customer Service Operations Efficiency, 24-111-R25, 2/11/2025	1	\$134,000,000	—	—	—
Sales, Marketing & International					
Postal Service Oversight of Parcel Select, 24-044-R25, 12/19/2024	1	—	—	—	\$9,523,371*
Total	10	\$135,437,662	\$121,950,373 *	\$117,883,351	\$10,016,853*

*Denotes commercial information not included and exempt from disclosure under 39 U.S.C. § 410(c)(2).

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, 2024 - March 31, 2025

Field Operations

Field Operations Atlantic and WestPac

Brookline Branch, Brookline, MA: Delivery Operations, 24-154-1-R25, 12/10/2024

Colorado-Wyoming District: Delivery Operations, 24-137-R25, 12/20/2024

Efficiency of Operations at the Boston Processing and Distribution Center, Boston, MA, 24-153-R25, 12/10/2024

Fort Point Station, Boston, MA: Delivery Operations, 24-154-2-R25, 12/10/2024

Revere Carrier Annex, Revere, MA: Delivery Operations, 24-154-3-R25, 12/10/2024

Massachusetts-Rhode Island District: Delivery Operations, 24-154-R25, 3/24/2025

Field Operations Central and Southern

Alabama-Mississippi District: Delivery Operations, 24-125-R25, 10/22/2024

Corryville Station, Cincinnati, OH: Delivery Operations, 24-148-1-R25, 12/4/2024

Efficiency of Operations at the Cincinnati Processing and Distribution Center and Network Distribution Center, Cincinnati, OH, 24-147-R25, 12/4/2024

Efficiency Of Operations at the Macon Local Processing Center, Macon, GA, 25-014-R25, 2/12/2025

Fairfield Branch, Fairfield, OH: Delivery Operations, 24-148-2-R25, 12/4/2024

Gray Main Post Office, Gray, GA: Delivery Operations, 25-015-1-R25, 2/12/2025

Mid City Cincinnati Carrier Annex, Cincinnati, OH: Delivery Operations, 24-148-3-R25, 12/4/2024

Ohio 2 District: Delivery Operations, 24-148-R25, 2/4/2025

Perry Administrative Post Office, Perry, GA: Delivery Operations, 25-015-2-R25, 2/12/2025

Warner Robins Main Post Office, Warner Robins, GA: Delivery Operations, 25-015-3-R25, 2/12/2025

Zebulon Branch, Macon, GA: Delivery Operations, 25-015-4-R25, 2/12/2025

Seasonal Performance and PRC

Fiscal Year 2025 Peak Season Preparedness, 24-132-R25, 11/21/2024

Finance, Pricing & Human Capital

Cost & Pricing

U.S. Postal Service's Cost Attribution For Parcel-only Processing Facilities, 24-075-R25, 10/4/2024

Finance

Fiscal Year 2024 Officers' Travel and Representation Expenses, 24-058-R25, 1/10/2025

Fiscal Year 2024 Selected Financial Activities and Accounting Records, 24-083-R25, 1/3/2025

Independent Auditor's Report on the U.S. Postal Service's Fiscal Year 2024 Reclassified Financial Statements, 24-144-R25, 11/15/2024

Fiscal Year 2024 Board of Governors' Expenditures, 24-167-R25, 3/11/2025

Fiscal Year 2024 Investment Record Summary, 25-064-R25, 3/12/2025

Human Capital Management

Postal Vehicle Service Operations, 24-093-R25, 3/27/2025

Pre-Career Retention Initiatives, 24-131-R25, 3/31/2025

Inspection Service, Technology & Services

Cybersecurity & Technology

Technology, Infrastructure, and Site Security Review, 24-133-R25, 3/21/2025

Inspection Service

Mitigating Internal Mail Theft, 24-076-R25, 10/30/2024

Mail Theft Mitigation and Response: Houston, TX, 25-023-R25, 3/20/2025

Mail Theft Mitigation and Response: Sacramento, CA 24-163-R25, 3/20/2025

Mission Operations

Delivery Operations

Priority Mail Express: Michigan 1 District, 24-135-R25, 12/16/2024

Security and Efficiency of the New Carrier Scanners and Electronic Locks, 24-089-R25, 11/5/2024

Network Changes: Local Transportation Optimization in the Wisconsin Region, 24-145-R25, 3/28/2025

Appendix A: Reports Issued to Postal Service Management



Network Processing

Network Changes – Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center, 24-152-R25, 1/27/2025

Timeliness of First-Class Mail in Southeast Florida, 24-123-R25, 12/11/2024

Transportation

Network Changes: Local Transportation Optimization, 24-142-R25, 12/18/2024

Review of Highway Contract Routes in the Contract Logistics Enterprise Acquisition Resource System, 24-121-R25, 3/31/2025

Retail, Marketing & Supply Management

Infrastructure & Supply Management

Controls Over Purchase Card Facility Repairs, 24-057-R25, 10/31/2024

Fleet Modernization – Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center, 24-056-R25, 1/8/2025

Fleet Modernization: Disposal of Long-Life Vehicles, 24-092-R25, 2/26/2025

Retail

Fleet Modernization: Delivery Vehicle Acquisition Status, 24-051-R25, 10/3/2024

Retail and Customer Service Operations Efficiency, 24-111-R25, 2/11/2025

Sales, Marketing & International

Postal Service Oversight of Parcel Select, 24-044-R25, 12/19/2024

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, 2024 - March 31, 2025

Research and Insights Solution Center

A Comparative Study of International Postal Models, RISC-WP-25-001, 2/27/2025

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

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

Office of Audit

FY2024 Review of Form 10K - Year End, 24-165-R25, 11/7/2024

Fiscal Year 2025, Draft Form 10-Q Financial Report for the Quarterly Period Ended December 31, 2024, 25-054-R25, 1/31/2025

Appendix B: Findings of Questioned Costs



For the period: October 1, 2024 - March 31, 2025

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

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

Description	Disallowed/ Not Disallowed	Number of Reports	Questioned Costs	Unsupported Costs Included in Questioned Costs
Reports for which no management decision was made at the beginning of the reporting period		—	—	—
Reports issued during the reporting period		6	\$121,950,373*	\$117,833,351
Reports for which a management decision was made during the reporting period (i+ii)		6	\$121,950,373*	\$117,833,351
Reports for which a management decision was made during the reporting period	(i) Disallowed	6	\$6,699,696	\$3,771,783
Reports for which a management decision was made during the reporting period	(ii) Not Disallowed	3	\$115,250,677	\$114,111,568
Reports for which no management decision was made by the end of the reporting period		—	—	—
Total		6	\$121,950,373*	\$117,883,351

*Denotes commercial information not included and exempt from disclosure under 39 U.S.C. § 410(c)(2).

Appendix C: Recommendations That Funds Be Put to Better Use



For the period: October 1, 2024 - March 31, 2025

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 Funds Put to Better Use
Reports for which no management decision was made in the beginning of the reporting period	—	—	—
Reports issued during the reporting period	—	2	\$135,437,662
Reports for which a management decision was made during the reporting period (i+ii):	—	2	\$135,437,662
(i) Recommendations that were agreed to by management	—	—	—
(ii) Recommendations that were not agreed to by management	—	2	\$135,437,662
Reports for which no management decision was made by the end of the reporting period	—	—	—
Total	—	2	\$135,437,662

Appendix D: Other Impacts



For the period: October 1, 2024 - March 31, 2025

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
Assets or Accountable Items at Risk	
Efficiency of Operations at the Cincinnati Processing and Distribution Center and Network Distribution Center, Cincinnati, OH, 24-147-R25, 12/4/2024	1
Security and Efficiency of the New Carrier Scanners and Electronic Locks, 24-089-R25, 11/5/2024	1
Assets or Accountable Items at Risk Total	2
Data Integrity	
Alabama-Mississippi District: Delivery Operations, 24-125-R25, 10/22/2024	1
Colorado-Wyoming District: Delivery Operations, 24-137-R25, 12/20/2024	3
Efficiency of Operations at the Boston Processing and Distribution Center, Boston, MA, 24-153-R25, 12/10/2024	4
Efficiency of Operations at the Cincinnati Processing and Distribution Center and Network Distribution Center, Cincinnati, OH, 24-147-R25, 12/4/2024	1
Efficiency of Operations at the Macon Local Processing Center, Macon, GA, 25-014-R25, 2/12/2025	3
Massachusetts-Rhode Island District: Delivery Operations, 24-154-R25, 3/24/2025	3
Ohio 2 District: Delivery Operations, 24-148-R25, 2/4/2025	2
Retail and Customer Service Operations Efficiency, 24-111-R25, 2/11/2025	4
Data Integrity Total	21
Goodwill Branding	
Alabama-Mississippi District: Delivery Operations, 24-125-R25, 10/22/2024	3
Colorado-Wyoming District: Delivery Operations, 24-137-R25, 12/20/2024	3
Efficiency of Operations at the Boston Processing and Distribution Center, Boston, MA, 24-153-R25, 12/10/2024	4
Efficiency of Operations at the Cincinnati Processing and Distribution Center and Network Distribution Center, Cincinnati, OH, 24-147-R25, 12/4/2024	5
Efficiency of Operations at the Macon Local Processing Center, Macon, GA, 25-014-R25, 2/12/2025	4
Fleet Modernization: Delivery Vehicle Acquisition Status, 24-051-R25, 10/3/2024	1
Mail Theft Mitigation and Response: Houston, TX, 25-023-R25, 3/20/2025	7
Mail Theft Mitigation and Response: Sacramento, CA, 24-163-R25, 3/20/2025	4
Massachusetts-Rhode Island District: Delivery Operations, 24-154-R25, 3/24/2025	3
Mitigating Internal Mail Theft, 24-076-R25, 10/30/2024	1
Network Changes: Local Transportation Optimization, 24-142-R25, 12/18/2024	1
Ohio 2 District: Delivery Operations, 24-148-R25, 2/4/2025	1
Goodwill Branding Total	37
Improved Services	
Alabama-Mississippi District: Delivery Operations, 24-125-R25, 10/22/2024	3
Colorado-Wyoming District: Delivery Operations, 24-137-R25, 12/20/2024	2
Massachusetts-Rhode Island District: Delivery Operations, 24-154-R25, 3/24/2025	2
Improved Services Total	7

Appendix D: Other Impacts



Description and Reports	Number of Recommendations
Predicted Shortfall	
Fleet Modernization: Delivery Vehicle Acquisition Status, 24-051-R25, 10/3/2024	1
Predicted Shortfall Total	1
Revenue at Risk	
Fleet Modernization: Disposal of Long-Life Vehicles, 24-092-R25, 2/26/2025	1
Revenue at Risk Total	1
Safety and Security	
Efficiency of Operations at the Cincinnati Processing and Distribution Center and Network Distribution Center, Cincinnati, OH, 24-147-R25, 12/4/2024	2
Efficiency of Operations at the Macon Local Processing Center, Macon, GA, 25-014-R25, 2/12/2025	1
Fleet Modernization - Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center, 24-056-R25, 1/8/2025	1
Ohio 2 District: Delivery Operations, 24-148-R25, 2/4/2025	1
Safety and Security Total	5
Total	74

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

- Fleet Modernization: Delivery Vehicle Acquisition Status, 24-051-R25, 10/3/2024
- Mail Theft Mitigation and Response: Houston, TX, 25-023-R25, 3/20/2025

Appendix E: Reports with Recommendations Pending Corrective Actions



For the period: October 1, 2024 - March 31, 2025

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	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
21-229-R22	04/14/2022	Mail Transport Equipment	R-5 Update Handbook PO-502, <i>Mail Transport Equipment</i> , to establish a comprehensive audit policy addressing the audit frequency and threshold for Postal Service facilities and mailers subject to audits and documenting audit results. TID: April 2025.	—
21-264-R22	05/27/2022	Supplier Qualifications	R-2 Update Supplying Principles & Practices to require contracting officers to identify key personnel by name and labor category and document qualification approval in the contract file at contract award and when issuing modifications of key personnel substitutions. TID: April 2025.	—
21-243-R22	08/08/2022	Improving Service Performance and Mail Processing Efficiencies at Historically Low Performing Facilities	R-1 Evaluate efficiency at the 10 facilities to identify inefficiencies in the mailflow (e.g., facility layout/location, space constraints, customer and service impacts, and equipment relocation costs) and, based on the results, consider properly aligning the impacted facilities to efficiently meet the challenges they face based on changes in market demand. TID: September 2026.	\$82,429,376
21-262-R23	12/16/2022	Delivery Operations - Undelivered and Partially Delivered Routes	R-2 Enhance processes and tools to notify customers of delayed mail and undelivered and partially delivered routes. TID: October 2025.	—
22-187-R23	03/27/2023	Service Performance of Election Mail for the 2022 Midterm Elections	R-1 Develop a plan to analyze costs associated with the processing and delivery of Election Mail and explore opportunities to be compensated for the implementation of Election Mail key practices and extraordinary measures.	\$23,033,770
22-180-R23	04/18/2023	Postal Service's Non-Career Employee Turnover Follow-up	R-3 Establish an official process that requires performance evaluations to be conducted and documented during rural carrier associates' probationary periods. TID: March 2025.	—
21-239-R23	05/17/2023	U.S. Postal Service's Plans to Resolve Post Office Suspensions	R-2 Develop a process to formally document and monitor implementation of current and future plans to resolve post office suspensions as reported in the <i>Annual Compliance Reports</i> . TID: July 2025.	—
22-166-R23	06/29/2023	Flats Cost Coverage	R-1 Collaborate with stakeholders from the mailing industry to develop and implement initiatives with specific, measurable objectives to directly reduce Flats costs and address the causes of inefficiencies in Flats operations identified by the Postal Regulatory Commission. TID: October 2025.	—
23-112-R23	08/17/2023	Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA	R-1 Document Priority Mail Express delays in the Mail Arrival Quality/Plant Arrival Quality system and coordinate with the Louisiana District Manager to resolve the Priority Mail Express issues. TID: March 2025.	—

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Recommendation Summary <i>R</i> = Recommendation Number <i>TID</i> = Target Implementation Date	Monetary Impact
23-072-R23	09/14/2023	The Path Forward for the Postal Service Loyalty Program	R-1 Establish performance targets aligned with the key objectives of a new loyalty program and establish parameters to actively monitor progress for effective program management. TID: September 2025.	—
			R-2 Develop a comprehensive communication strategy for a new loyalty program that promotes awareness of functionality for prospective, and once enrolled, ongoing customers. TID: September 2025.	—
			R-3 Conduct an evaluation of customer spending requirements and discounts, related to any future loyalty program, to ensure the program's design promotes customer engagement and shipping growth. TID: September 2025.	—
23-033-R23	09/27/2023	Postal Service Customer Experience - Delivery Surveys	R-2 Conduct a cost, benefit, and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.	—
22-178-R23	09/28/2023	U.S. Postal Service's Response to Mail Theft	R-1 Develop a plan to include proposed quantities, projected cost, and actionable milestones to fully deploy the eArrow lock and high security mailbox initiatives, and include measures to assess their effectiveness.	—
22-185-R23	09/29/2023	Internal Controls Over the Annual Capital Property Review	R-1 Evaluate the internal controls for the annual capital property review to identify process improvements, add controls, and create a goal to enhance accuracy. In addition, update Handbook AS-701, <i>Asset Management</i> , to reflect any additional controls or goals implemented in the annual capital property review process. TID: May 2025.	—
22-194-R23	09/29/2023	Corporate Information Security Office Workforce	R-1 Establish and document a workforce plan that describes key recruitment, retention, and performance measurement activities. At a minimum, the plan should address strategic priorities, include workforce goals and objectives, identify stakeholder roles and responsibilities, and define a process for periodic review and updates.	—
			R-2 Develop a process to track employee and contractor training and certifications to monitor progress toward addressing the skills gaps identified in periodic skills assessments.	—
23-060-R24	10/24/2023	Processing of Retroactive Pay	R-1 Require that the new payroll system be able to execute retroactive pay's complex processing when assessing, reviewing, and selecting a new vendor. TID: October 2025.	—
23-130-R24	12/05/2023	Delivery and Customer Service in Colorado Mountain Towns	R-2 Explore the feasibility of increasing personnel pay in Colorado mountain towns based on locality, including tracking all expenses for personnel detailed to these locations and other hiring costs.	—
23-137-R24	12/15/2023	Processing and Delivery of Veterans Affairs Medicine	R-3 Develop and implement a control to prevent improper duplicate "Delivered" scans on the same package, including VA Pharmacy packages. TID: July 2025.	—

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		Monetary Impact
23-038-R24	01/09/2024	Parcel Return Service - Consolidator Payment and Refund Errors	R-1	Strengthen the Parcel Return Service manifest verification process by incorporating the facility type as a required parameter. TID: April 2025.	\$48,982,794
			R-4	Develop and maintain an accurate list of active return delivery units in the Facilities Database. TID: May 2025.	—
			R-5	Enhance the Parcel Return Service refund review process to include an automated validation to verify that refunds are warranted, including an assessment of whether the return delivery units that received the packages were active at the time of mailing. TID: April 2025.	—
22-199-R24	01/25/2024	Site Technical Assessment Review- January 2024	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: September 2026.	—
			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: November 2025.	—
			R-8	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: November 2025.	—
			R-10	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-14	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
22-174-R24	02/13/2024	U.S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment	R-1	Develop and require all users to complete Electronic/ Technical Surveillance Tracking System training and maintain documentation of training completion. TID: July 2025.	—
			R-2	Develop a verification process for annual physical equipment inventories to account for all equipment as required by the Inspection Service Manual. TID: August 2025.	—
			R-3	1) Review all postal inspectors with assigned equipment and validate they are active employees, 2) retrieve equipment from postal inspectors who separated from the agency, and 3) update the status and assignment of all equipment in the Electronic/Technical Surveillance Tracking System. TID: August 2025.	—
			R-8	Implement audit logs containing user activity for creating, assigning, editing, and removing user roles in the Electronic/Technical Surveillance Tracking System. TID: August 2025.	—
			R-9	Resolve Electronic/Technical Surveillance Tracking System functionality errors preventing users from temporarily transferring, temporarily assigning, and recording the final disposition of law enforcement surveillance equipment, including digital signature capability. TID: August 2025.	—

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Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
23-088-R24	02/27/2024	Contract Trucking Safety and Compliance	R-2 Require freight auction brokers to report subcontractor authorization and vetting and develop a system of record to maintain the reported results.	—
			R-5 Communicate and create a mechanism to validate the use of team drivers for trips that exceed 500 miles, update freight auction statements of work, and terminate contractors who are non-compliant.	—
			R-6 Define freight auction applicability to Management Instruction PO-530-2009-4, Section 19 – <i>Special Circumstances</i> .	—
			R-7 Update and enforce freight auction guidance and include at minimum a process to verify driver history.	—
23-165-R24	03/26/2024	Mail Processing Machine Relocation	R-2 Document the updated Equipment Relocation, Modification, and Excessing Requests Process and the Machine Removal Checklist in Postal Handbook AS-701 and the <i>Material Accountability Officer Guidebook</i> . TID: May 2025.	—
23-161-R24	03/28/2024	Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA	R-9 Update Handbook PO-408 to include the definition of service area, and clearly define when Mail Processing Facility Reviews are required. TID: May 2025.	—
			R-10 Communicate any impacts to customers when permanently moving processing operations of a three-digit ZIP Code™ to another processing facility.	—
23-145-R24	04/24/2024	Postal Service Hiring Practices	R-1 Develop and communicate a plan with specific actions, milestones, and metrics to attract more applicants in locations with hiring challenges.	—
			R-2 Provide facility management an opportunity to include facility specific information when requesting a job posting to help ensure external applicants are aware of job requirements.	—
24-019-R24	05/16/2024	Impact of Management Operating Data System on U.S. Postal Service Costing	R-1 To identify opportunities for automated controls to verify that employees are clocking into the correct operation number and supervisors are regularly monitoring timekeeping reports. TID: October 2025.	—
			R-3 Establish a process to assess and analyze Management Operating Data system review results. TID: April 2026.	—
			R-4 Update Handbook M-32, <i>Management Operating Data System</i> (MODS) policy and coordinate with Vice President, Engineering Systems, to update the MODS Coordinator Guidebook to identify current roles and responsibilities and clarify the frequency of Management Operation Data system reviews to ensure consistency. TID: April 2026.	—

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Report Number	Issue Date	Report Title	Recommendation Summary <i>R</i> = Recommendation Number <i>TID</i> = Target Implementation Date	Monetary Impact
24-037-R24	05/21/2024	Mail Theft Mitigation and Response - Queens, NY	R-1 Develop and implement a plan, including communication strategy and available staff, for the timely deployment and installation of mail theft initiatives nationwide. TID: April 2025.	—
			R-6 Require the New York 2 District Manager to establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for blue collection and green relay boxes. TID: April 2025.	—
			R-7 Develop a process to define roles, responsibilities, and frequency for inspecting green relay boxes, and to record and track the location and condition of green relay boxes. TID: April 2025.	—
24-010-R24	06/03/2024	Legacy Systems at the U.S. Postal Service	R-2 Mitigate identified risks for all legacy systems, develop a plan of action and milestones to enforce timely mitigation of identified risks related to legacy systems and report the status of mitigations as defined in the Corporate Information Security Office's plan of action and milestones to the Corporate Information Security Office. TID: December 2026.	—
24-084-R24	06/07/2024	Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL	R-8 Develop and implement a plan to verify load scanning is consistently completed in accordance with policy at the Tallahassee Processing and Distribution Facility. TID: April 2025.	—
23-167-R24	06/21/2024	State of the U.S. Postal Service Financial Condition	R-1 Update and communicate Delivering for America plan financial projections based on current conditions and environment.	—
			R-2 Develop a plan to track, measure, and communicate progress on initiatives that result from the Delivering for America plan. TID: June 2025.	—
23-168-R24	06/26/2024	Accuracy of Reported Service Performance	R-4 Publicize only Postal Service tracked and validated metrics.	—
24-038-R24	06/27/2024	Fleet Modernization - Electric Vehicle and Charging Infrastructure Incentives	R-2 Evaluate the feasibility of continuously monitoring incentive program participation at facilities with future electric vehicle and charging infrastructure deployments, to include conducting cost-benefit analysis and enlisting the possible use of contractors to support this action.	—
24-079-R24	06/28/2024	Puerto Rico District: Delivery Operations	R-1 Conduct route reviews for all routes in the Puerto Rico District, create a prioritized list of routes needing adjustments based on the reviews, and coordinate with Headquarters Delivery Operations to create a plan to perform the necessary adjustments. TID: December 2026.	—
			R-9 Address all remaining building safety, security, and maintenance issues identified at the Bayamon, Toa Baja, and Guaynabo Post Offices. TID: March 2025.	—

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Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		Monetary Impact
23-170-R24	07/16/2024	Fleet Modernization - Charging Station Deployment Timelines	R-1	Establish informed baselines for future sites that align with schedule management best practices.	—
			R-2	Improve schedule management for charging station construction by using a project management system and related analytics to record dynamic updates, centralize information, and analyze performance to inform future construction baselines. TID: July 2025.	—
			R-3	Evaluate whether contractual assistance is needed for its deployment effort, including aligning the Postal Service's schedule management with best practices. TID: July 2025.	—
24-016-R24	07/30/2024	Election Mail Readiness for the 2024 General Election	R-6	Evaluate the postmarking policy and adjust as necessary to ensure that all mail-in ballots receive a postmark. TID: March 2026.	—
23-162-R24	08/06/2024	Evaluation of Freight Auction	R-3	Develop a plan of action and milestones for revising the trailer utilization-calculated percentages in Surface Visibility to account for stacked containers and cubic feet. TID: July 2025.	—
23-149-R24	08/08/2024	ePostage Oversight	R-2	Establish procedures to conduct periodic reviews for compliance with merchant information requirements and address noncompliance within a reasonable timeframe. TID: February 2025.	—
			R-3	Establish procedures to ensure it provides a clear indication of when and where the Postal Service takes custody of all ePostage packages, monitor compliance with its procedures, and notify merchants of noncompliance. TID: March 2025.	—
			R-6	Establish automated processes to identify merchants that shortpay, and create and issue automated noncompliance notifications to merchants and label providers, when applicable. TID: March 2025.	—
			R-7	Establish guidelines outlining quantifiable conditions for issuing noncompliance notifications to merchants and related timelines, notifying the label provider of mailer noncompliance, and suspending mailers' accounts. TID: March 2025.	—
24-116-R24	08/13/2024	Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC	R-11	Verify load scanning is consistently completed in accordance with policy at the Charleston Processing and Distribution Center. TID: June 2025.	—
23-175-R24	08/29/2024	Employee Availability	R-1	Implement mandated training related to attendance control and employee availability to front-line supervisors nationwide. TID: June 2025.	—
			R-3	Reiterate sick leave policy to all employees and coordinate with the Vice President, Technology Applications, to automate controls to remind management to obtain supporting medical documentation and file the documentation, as required. TID: June 2025.	\$239,729,537

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24-099-R24	08/30/2024	Mail Theft Mitigation and Response - San Francisco, CA	R-1 Update the Collection Point Management System to differentiate between blue collection and high security collection boxes to accurately reflect inventories for all stations nationwide. TID: April 2025.	—
			R-4 Establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes and green relay boxes. TID: September 2025.	—
24-049-R24	09/05/2024	Planning and Deployment of the Matrix Regional Sorter	R-1 Implement a plan when deploying future Matrix Regional Sorters to provide necessary training to maintenance staff for a smooth and timely transition from contractor support. TID: January 2026.	\$2,217,348
			R-2 Define needed maintenance tasks for both the contractor and Postal Service staff to perform, including the timing and frequency of assigned/required maintenance tasks for the Matrix Regional Sorter. TID: June 2025.	—
			R-3 Analyze the Matrix Regional Sorter performance to determine if goals are attainable and, if not, determine realistic goals for each facility with a Matrix Regional Sorter, updating any cost savings projections if necessary. TID: August 2025.	—
			R-5 Identify and correct the causes of damaged mail from the Matrix Regional Sorter. Additionally, develop a plan to track mail damaged on the Matrix Regional Sorter and evaluate if changes made have decreased the amount of mail damaged. TID: March 2025.	—
24-017-R24	09/06/2024	Service Optimization: Post Office Boxes	R-1 Implement mechanisms to better communicate and reinforce Post Office Box program priorities and oversight requirements, including performing up-time scans, completing annual audit and semi-annual overflow reviews, collecting reactivation fees, and completing box closures. TID: June 2025.	\$8,893,200
			R-2 Develop a comprehensive, strategic assessment of the Post Office Box program, which would include analysis of how key program components, such as prices, utilization, service, and marketing, impact on current and prospective customer segments and demand across the country. TID: August 2025.	—
24-100-R24	09/18/2024	Mail Theft Mitigation and Response - Chicago, IL	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: May 2025.	—
			R-5 Establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes. TID: November 2025.	—
24-071-R24	09/19/2024	Effectiveness of the New Regional Processing and Distribution Center in Portland, OR	R-1 Communicate the Integrated Operating Plans with key personnel at the Portland Regional Processing and Distribution Center and document concurrence in the system of record. TID: March 2025.	—

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Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
24-136-R24	09/24/2024	Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO	R-5 Complete a review of transportation schedules and identify and implement actions to address transportation needs at the Denver Processing and Distribution Center. TID: May 2025.	—
			R-6 Coordinate with the Denver Network Distribution Center to determine and implement optimal transportation schedules and reduce the number of canceled outbound trips. TID: May 2025.	—
			R-7 Consistently meet load and unload scan goals at the Denver Processing and Distribution Center. TID: August 2025.	—
24-040-R24	09/25/2024	Measuring Performance of Sorting and Delivery Centers	R-2 Develop a training for all sorting and delivery center supervisors specific to the network changes/impacts, including techniques to properly supervise route performance, and require all sorting and delivery center supervisors to complete.	\$1,420,862
			R-3 Clearly define the parameters for appropriate staffing levels at sorting and delivery centers to meet the Small Delivery Unit Sorter operational throughput goal.	—
			R-5 Finalize an automated process within the Rural Route Evaluation Compensation System to make necessary adjustments to reduce the number of overburdened rural routes.	—
			R-6 Complete the ongoing review of sorting and delivery center routes and make necessary adjustments to reduce the number of overburdened rural routes.	—
24-051-R25	10/03/2024	Fleet Modernization: Delivery Vehicle Acquisition Status	R-1 Develop an approach for including pertinent financial (i.e., costs and savings) and sustainability impact data in its <i>Vehicle Acquisition Strategy</i> and related contingencies.	—
24-076-R25	10/30/2024	Mitigating Internal Mail Theft	R-1 Develop and distribute nationwide policy that addresses personal belongings on the workroom floor. TID: April 2025.	—
			R-3 Identify all cameras not functioning and develop a plan to restore them to operational status. TID: October 2025.	—
			R-4 Develop and implement a strategic, nationwide plan that includes continuous monitoring of the operational status of cameras and diagnosing and addressing camera failures timely. TID: October 2025.	—
24-057-R25	10/31/2024	Controls Over Purchase Card Facility Repairs	R-1 Reiterate policy requiring project managers to transfer expense purchase card supporting documents to credit card approving officials, and for credit card approving officials to maintain the supporting documents for the duration of the retention period. TID: October 2025.	\$756,799
			R-2 Create a centralized, electronic repository for storing facility repair supporting documentation. TID: October 2025.	—
			R-3 Establish guidelines and best practices to require project managers to identify and combine related service ticket requests and solicit contracts for projects that exceed expense purchase card authority threshold.	—
			R-4 Establish guidelines and controls to monitor the use of batch payments. TID: October 2025.	—

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24-089-R25	11/05/2024	Security and Efficiency of the New Carrier Scanners and Electronic Locks	R-5 Require facility management to certify supervisors and employees complete formal, and release update, training on Mobile Delivery Device – Technology Refresh functionalities. TID: April 2025.	—
			R-6 Require facility management to provide guidance to supervisors and employees of all major Mobile Delivery Device – Technology Refresh functionality updates. TID: April 2025.	—
			R-7 Develop a deployment plan with actionable milestones for the 24-Hour Arrow Key Management System to all facilities using the arrow keys nationwide, contingent upon the completion of the pilot program. TID: May 2025.	—
			R-8 Reiterate to facility management the requirement to follow the Arrow Key Standard Work Instructions including reporting lost or stolen keys to the Postal Inspection Service as required. TID: April 2025.	—
			R-11 Include and publish language in the updated version of the AS-701 to clarify the requirements to report lost, stolen, or missing assets or materials to the Postal Inspection Service. TID: April 2025.	—
24-147-R25	12/04/2024	Efficiency of Operations at the Cincinnati Processing and Distribution Center and Network Distribution Center, Cincinnati, OH	R-3 Complete a review of Postal Vehicle Service transportation schedules and verify related actions are implemented at the Cincinnati Processing and Distribution Center and Network Distribution Center. TID: April 2025.	—
			R-4 Properly schedule Surface Transfer Center operations to ensure effective dispatch of mail at the Cincinnati Network Distribution Center. TID: April 2025.	—
			R-5 Develop and implement a plan to verify load scanning at the Cincinnati Processing and Distribution Center is consistently completed in accordance with policy. TID: May 2025.	—
24-153-R25	12/10/2024	Efficiency of Operations at the Boston Processing and Distribution Center, Boston, MA	R-5 Complete a review of Postal Vehicle Service transportation schedules and verify related actions are implemented at the Boston Processing and Distribution Center. TID: May 2025.	—
			R-6 Meet load and unload scan goals consistently at the Boston Processing and Distribution Center. TID: July 2025.	—
24-123-R25	12/11/2024	Timeliness of First - Class Mail in Southeast Florida	R-1 Execute a plan to decrease the rate of missorted mail and increase the percent of mail run through delivery point sequence automation. TID: March 2025.	—
			R-3 Provide supervisory mail processing training to supervisors on all procedures and their job responsibilities. TID: April 2025.	—
			R-4 Confirm timely completion of required training courses for Florida 3 District postmasters and supervisors. TID: June 2025.	—
			R-5 Require supervisors to verify issue resolution between processing, transportation, and delivery operations in the Mail Arrival Quality/Plant Arrival Quality System, including feedback on issue resolution. TID: April 2025.	—

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Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
24-135-R25	12/16/2024	Priority Mail Express: Michigan 1 District	R-2 Develop a plan to enforce and monitor "Arrival at Unit" scanning requirements and delayed mail reporting. TID: April 2025.	—
			R-3 Review the operating plan for Priority Mail Express, update it as necessary, clearly communicate it to employees, and develop a process to monitor for consistent execution. TID: April 2025.	\$569,762
			R-4 Review and update the Integrated Operating Plans between the Michigan 1 District delivery units and Detroit Network Distribution Center to accurately reflect current transportation schedules and include Priority Mail Express arrival times. TID: April 2025.	—
24-142-R25	12/18/2024	Network Changes: Local Transportation Optimization	R-1 Conduct outreach to affected customers notifying them of the changes to optimized offices and impacts to service. TID: December 2025.	—
			R-2 Develop and maintain detailed documentation outlining the cost savings resulting from the Local Transportation Optimization implementation for each region and include a comparison to planned savings. TID: December 2025.	—
24-044-R25	12/19/2024	Postal Service Oversight of Parcel Select	R-1 Program Destination Delivery Unit scanners to automatically identify mis-shipped packages dropped at the facility in error. TID: September 2025.	—
			R-2 Program the package tracking software to automatically apply mis-shipped scans to packages dropshipped at plants but manifested at a rate associated with a different type of facility. TID: October 2025.	—
			R-4 Develop a reliable software-based indicator that identifies where and when the Postal Service first took custody of a package. TID: June 2025.	—
			R-5 Design and implement the USPS SHIP system to analyze package data that identifies Parcel Select packages dropped at the wrong location and flags them for additional postage due. TID: February 2025.	—
			R-6 Enforce the nonmailable package fee collection policy by implementing an automated fee collection system for nonmailable packages dropped at Destination Delivery Units, or implementing an alternative solution. TID: November 2025.	\$9,523,371
24-056-R25	01/08/2025	Fleet Modernization - Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center	R-4 Require the contractor to either stripe the space near the electrical panel or add an additional bollard to protect the panel from potentially being damaged. TID: February 2025.	—
			R-5 Communicate to locations with electric vehicle infrastructure that policy regarding reporting safety hazards also includes electric vehicle infrastructure.	—
			R-7 Verify the contact labels are installed at the Topeka Sorting and Delivery Center and establish a plan to verify their installation at future facilities. TID: March 2025.	—

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24-152-R25	01/27/2025	Network Changes - Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center	R-2 Develop and execute a comprehensive plan to improve the transportation performance at the Richmond Regional Processing and Distribution Center and monitor progress.	\$2,358,151
			R-3 Work directly with Richmond Regional Processing and Distribution Center processing and logistics managers to develop and execute a plan to improve scanning compliance and monitor progress. TID: September 2025.	—
			R-4 Improve communication of integrated operating plan deficiencies in the Richmond region to the frontline supervisors responsible for ensuring compliance. TID: April 2025.	—
			R-6 Direct the Richmond Regional Processing and Distribution Center plant manager to enforce Postal Service attendance policy. In addition, monitor the progress and actions taken to address attendance. TID: September 2025.	—
24-111-R25	02/11/2025	Retail and Customer Service Operations Efficiency	R-3 Enhance system capabilities for collecting, retaining, analyzing, certifying, reviewing, and reporting data from function 4 operational reviews. TID: May 2025.	—
25-014-R25	02/12/2025	Efficiency of Operations at the Macon Local Processing Center, Macon, GA	R-1 Develop a plan with the Atlanta Regional Processing and Distribution Center to better align mail arrival and processing times at the Macon Local Processing Center. TID: May 2025.	—
			R-2 Train all mail processing employees at the Macon Local Processing Center on proper handling procedures for mail entering the facility and verify these procedures are consistently followed. TID: April 2025.	—
			R-4 Complete a review of Postal Vehicle Service transportation schedules that includes updated truck parking information and verify related actions are implemented at the Macon Local Processing Center. TID: June 2025.	—
			R-6 Update the Mail Transport Equipment Labeler system to ensure placards used for mail transport equipment and recyclable material are accurate. TID: April 2025.	—
24-092-R25	02/26/2025	Fleet Modernization: Disposal of Long-Life Vehicles	R-1 Provide periodic refresher training and create accountability mechanisms to help ensure staff are processing vehicle disposals, and managers are providing related oversight, in accordance with policy. TID: October 2025.	—
			R-3 Prioritize and evaluate internal and contracted vehicle disposal process to identify process improvements and update controls. In addition, update Handbook PO-701, <i>Fleet Management</i> , to reflect any changes to controls in the vehicle disposal process. TID: June 2025.	\$452,506

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24-163-R25	03/20/2025	Mail Theft Mitigation and Response: Sacramento, CA	R-1 Confirm all arrow keys are accurately recorded in the Retail and Delivery Analytics and Reports system and, when necessary, returned to the National Materials Customer Service, and/or reported to the Postal Inspection Service for the Sacramento Main Post Office, Fort Sutter Station, and Rancho Cordova Main Post Office. TID: June 2025.	—
			R-2 Establish internal controls to verify facilities are following the 24-hour arrow key accountability process, including the establishment of barcodes for every key assigned to city routes at Tier 1 facilities, or using the PS Form 1106, as required. TID: June 2025.	—
			R-3 Establish internal controls to validate that facilities are remediating arrow key deficiencies identified by the Postal Inspection Service. TID: May 2025.	—
			R-4 Provide regularly recurring training on arrow key accountability processes, security policies, and responsibilities to managers and supervisors in the Sacramento, CA, area, and track training compliance. TID: October 2025.	—
			R-5 Establish policy requiring the recording and tracking of cluster box unit ownership, and develop and maintain a repository of cluster box units to include ownership and applicable agreements. TID: February 2026.	—
			R-6 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: February 2026.	—
			R-7 Address the box deficiencies identified at Sacramento Main Post Office, Fort Sutter Station, and Rancho Cordova Main Post Office. TID: July 2025.	—
			R-8 Require the California 2 District Manager to establish and provide regularly recurring training to local management on the requirement to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes, cluster box units, and green relay boxes and track training compliance. TID: October 2025.	—

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25-023-R25	03/20/2025	Mail Theft Mitigation and Response: Houston, TX	R-1 Develop a verification process to ensure all electronic arrow lock and high security collection box shipments, deliveries, and installations are accurately recorded. TID: February 2026.	—
			R-2 Develop a standard operating procedure outlining steps for station management on how to generate maintenance requests for electronic arrow lock and high security collection box installations.	—
			R-3 Confirm all arrow keys are accurately recorded in the Retail and Delivery Analytics and Reports system and, when necessary, returned to the National Materials Customer Service, and/or reported to the Postal Inspection Service for the Beechnut, Debora Sue Schatz, and T W House Stations. TID: October 2025.	—
			R-4 Establish internal controls to verify facilities are following the 24-hour arrow key accountability process, including the establishment of barcodes for every key assigned to city routes at Tier 1 facilities, or using the PS Form 1106, as required. TID: August 2025.	—
			R-5 Provide regularly recurring training on arrow key accountability processes, security policies, and responsibilities to managers and supervisors in the Houston, TX, area, and track training compliance. TID: October 2025.	—
			R-6 Provide training on registry cage security policies and responsibilities to managers and supervisors in the Houston, TX, area, and track training compliance. TID: October 2025.	—
			R-7 Establish internal controls to validate that facilities are remediating arrow key deficiencies identified by the Postal Inspection Service. TID: January 2026.	—
			R-8 Revise Postal Operation-631 <i>Growth and Delivery Point Management Program</i> policy to update current roles and responsibilities. TID: February 2026.	—
			R-9 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: February 2026.	—
			R-10 Address the box deficiencies identified at the Beechnut, Debora Sue Schatz, and T W House Stations. TID: October 2025.	—
			R-11 Require the Texas 2 District Manager to establish and provide regularly recurring training to station management on the requirement to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes and cluster box units, and track training compliance. TID: January 2026.	—

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24-133-R25	03/21/2025	Technology, Infrastructure, and Site Security Review	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: April 2026.	—
			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 2026.	—
			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 2025.	—
			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: January 2027.	—
			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: June 2025.	—
			R-6 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2025.	—
			R-7 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2025.	—
			R-8 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: June 2025.	—
			R-9 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-10 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-11 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-12 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-13 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-14 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
24-154-R25	03/24/2025	Massachusetts-Rhode Island District: Delivery Operations	R-1 Confirm management at the Revere Carrier Annex is following the required Redline process and properly documenting delayed mail. TID: April 2025.	—
			R-2 Train management at all delivery units in the district on the proper procedures for reporting delayed mail. TID: May 2025.	—

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24-093-R25	03/27/2025	Postal Vehicle Service Operations	R-1 Clarify guidance for making insourcing decisions and develop more detailed cost comparison analysis and maintain records in support of insourcing decisions.	—
			R-2 Insource highway contract routes when economically advantageous to the Postal Service and implement a waiver process when cost is not a main factor to insource.	—
			R-3 Develop a process to monitor and evaluate the operational efficiencies received from insourcing highway contract route contracts to determine if the expected benefits are being realized.	\$3,226,098
			R-4 Require employees to complete the Postal Service Supervisor Program within one year of their initial appointment to a supervisory position, and refresher training at least every three years, and maintain appropriate records of completion. TID: October 2025.	—
			R-5 Develop and share documentation to communicate lessons learned from the challenges faced during the Postal Vehicle Operator Pilot Program to site management at future pilot sites.	—
			R-6 Include specific requirements in the job announcements for Postal Vehicle Service operator positions (i.e. starting as part-time flexible or working outside of normal business hours).	\$65,328,390
			R-7 Develop and make available the training to obtain a commercial driver's license to interested postal vehicle operators.	—
			R-8 Determine complement and work toward hiring the number of schedule examiners vehicle runs and dispatch coordinators needed at nationwide Postal Vehicle Service sites.	\$10,936,174
			R-9 Develop a process to ensure site management monitors the accuracy of drivers' license expirations and Department of Transportation physical due dates in the Vehicle Information Transportation Analysis and Logistics system.	—
			R-10 Develop controls that prohibit users from entering invalid dates into the Vehicle Information Transportation Analysis and Logistics system.	—
			R-11 Verify drivers received required safe driver training; and enforce policies that require managers and supervisors to maintain training records in the Learning Management System. TID: June 2025.	—

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		Monetary Impact
24-145-R25	03/28/2025	Network Changes: Local Transportation Optimization in the Wisconsin Region	R-2	Develop a process to monitor the accuracy of depart post office scans within the Wisconsin region, and take action as needed. TID: May 2025.	—
			R-3	Require annual transportation optimization training for all Wisconsin region supervisors at optimized offices and track and monitor compliance.	—
			R-4	Review and update transportation contracts within the Wisconsin region to remove unnecessary collection box pickup for Highway Contract Routes. TID: June 2025.	—
			R-5	Review the need for Highway Contract Route drivers within the Wisconsin region to possess arrow keys, and obtain possession of keys no longer needed.	—
			R-6	Adjust or reinforce scheduled collection box times within the Wisconsin region, to allow for collection boxes to be accessed timely and communicate any schedule adjustments to the customers.	—
24-121-R25	03/31/2025	Review of Highway Contract Routes in the Contract Logistics Enterprise Acquisition Resource System	R-1	Update the Highway Contract Route statement of work to include provisions for partial compensation to suppliers for trips canceled with at least four hours' notice. TID: April 2025.	\$3,157,410
			R-2	Implement controls to ensure payments are not made to suppliers with terminated contracts. TID: April 2025.	\$603,308
			R-3	Recover inaccurate payments made to suppliers with terminated contracts. TID: March 2025.	—
24-131-R25	03/31/2025	Pre-Career Retention Initiatives	R-1	Update the Learning Management System to require and assign all facility managers overseeing pre-career employees to take Delivering the New Employee Experience training. TID: July 2025.	—
			R-2	Reiterate the importance of the 511 Initiative best practices and facility managers responsibilities to ensure national compliance and standardization of the initiative. TID: July 2025.	—
			R-3	Assess the benefits of the implemented Retention and Mentor Pilot programs and develop strategies to improve annual retention rates for all pre-career crafts. TID: March 2026.	\$1,437,662
			R-4	Require Postal Service Forms 1750 to be tracked and monitored in the Retail and Delivery Applications and Reports system for all facilities instead of only pilot sites. TID: August 2025.	—
			R-5	Require all operations to use the electronic Postal Service Form 1750 web-based application once implemented. TID: December 2025.	—

Total Number of Reports: **68**

Total Number of Recommendations: **191**

Total Monetary Impact: **\$505,056,518***

*Denotes commercial information not included and exempt from disclosure under 39 U.S.C. § 410(c)(2).

Appendix E: Reports with Recommendations Pending Corrective Actions - Postal Regulatory Commission



For the period: October 1, 2024 - March 31, 2025

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	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
20-02-A01	06/30/22	PRC Purchase Card Expenses	R-3 Modify the purchasing policy to define split transactions and disciplinary actions related thereto. TID: May 2025.	—
			R-4 Update Postal Regulatory Commission purchase card policies and procedures to align with purchase card. TID: May 2025.	—
			R-7 Ensure there is proper segregation of duties between all employees involved in the purchase card process. TID: May 2025.	—
			R-9 Revise the policy to maintain consistency related to required purchase card reconciliation timeframe. TID: May 2025.	—
			R-14 Develop written policy and procedures for departing employees. TID: May 2025.	—
23-027-R23	07/27/23	Postal Regulatory Commission Travel Expenses	R-2 Conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in eTravel. TID: September 2025.	—
			R-3 Update the travel policy to reflect the needs of the Postal Regulatory Commission and align with agency priorities. TID: September 2025.	—
			R-4 Create a training program about the travel process and require employees that travel to complete this training and retake as needed when changes to the process occur. TID: September 2025.	—
23-096-R23	09/22/23	Postal Regulatory Commission Acquisition Planning and Contracting Practices	R-1 Update the purchasing policy regarding purchase order issuance, to include, at a minimum, requirements for use of Postal Service Form 8203, signatures, and documentation retention requirements. TID: September 2025.	—
			R-2 Develop and implement a tool, such as a checklist, to verify contracting personnel consistently complete, retain, and provide oversight of contract file documentation for each acquisition type. TID: September 2025.	—
			R-3 Update the purchasing policy to designate and clearly describe the roles and responsibilities of each individual involved in the acquisition planning and contracting process. TID: September 2025.	—
			R-4 Create a policy outlining comprehensive requirements to close contracts, including a checklist of closeout documentation. TID: September 2025.	—
23-160-R24	06/28/24	PRC Strategic Objectives: Year One of Five-Year Plan	R-1 Determine what templates and processes should be adopted for strategic plan implementation and develop a policy incorporating those elements. TID: May 2025.	—
			R-2 Estimate and document budgetary requirements for achieving the strategic plan and develop a process for incorporating expected project costs. TID: May 2025.	—
			R-3 Develop and communicate a consolidated schedule that incorporates all requirements for the overall strategic plan and individual projects. TID: May 2025.	—

Appendix E: Reports with Recommendations Pending Corrective Actions - Postal Regulatory Commission



Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
24-097-R24	09/27/24	Review of the Postal Regulatory Commission's Compliance With the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024	R-1 Design and implement risk management and general support system policies, procedures, and processes that address National Institute of Standards and Technology Special Publication 800-53, Rev. 5.1, Rel. 5.1.1 control requirements. TID: September 2025.	—
			R-2 Design and implement Supply Chain Risk Management policies, procedures, and processes that address National Institute of Standards and Technology Special Publication 800-53, Rev. 5.1, Rel. 5.1.1 control requirements. TID: September 2025.	—
			R-3 Develop and implement agency-wide Configuration Management policies, procedures, and processes, that address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5.1, Rel. 5.1.1, control requirements. TID: September 2025.	—
			R-4 Develop and implement agency-wide identity access management policies, procedures, and processes that address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5, Rel. 5.1.1, controls requirements. TID: September 2025.	—
			R-5 Develop and implement agency-wide data protection and privacy policies, procedures, and processes that address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5, Rel. 5.1.1 control requirements. TID: September 2025.	—
			R-6 Develop and implement agency-wide Security Training policies, procedures, and processes that address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5.1, Rel. 5.1.1, control requirements. TID: September 2025.	—
			R-7 Finalize and implement its Information Security Continuous Monitoring plan and update the plan and any additional procedures and processes to address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5, Rel. 5.1.1, control requirements.	—
			R-8 Develop and implement agency-wide incident response policies, procedures, and processes that address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5, Rel. 5.1.1, control requirements. TID: September 2025.	—
			R-9 Develop and implement agency-wide contingency planning policies, procedures, and processes that address applicable National Institute of Standards and Technology Special Publication 800-53, Rev. 5, Rel. 5.1.1, control requirements. TID: September 2025.	—

Total Number of Reports: **5**

Total Number of Recommendations: **24**

Total Monetary Impact: **\$0**

Appendix F: Management Decisions in Audit Resolution



For the period: October 1, 2024 - March 31, 2025

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	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
22-187-R23	03/27/2023	Service Performance of Election Mail for the 2022 Midterm Elections	R-1 Develop a plan to analyze costs associated with the processing and delivery of Election Mail and explore opportunities to be compensated for the implementation of Election Mail key practices and extraordinary measures.	\$23,033,770
23-033-R23	09/27/2023	Postal Service Customer Experience - Delivery Surveys	R-2 Conduct a cost, benefit, and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.	—
22-178-R23	09/28/2023	U.S. Postal Service's Response to Mail Theft	R-1 Develop a plan to include proposed quantities, projected cost, and actionable milestones to fully deploy the eArrow lock and high security mailbox initiatives, and include measures to assess their effectiveness.	—
22-194-R23	09/29/2023	Corporate Information Security Office Workforce	R-1 Establish and document a workforce plan that describes key recruitment, retention, and performance measurement activities. At a minimum, the plan should address strategic priorities, include workforce goals and objectives, identify stakeholder roles and responsibilities, and define a process for periodic review and updates.	—
			R-2 Develop a process to track employee and contractor training and certifications to monitor progress toward addressing the skills gaps identified in periodic skills assessments.	—
23-130-R24	12/05/2023	Delivery and Customer Service in Colorado Mountain Towns	R-2 Explore the feasibility of increasing personnel pay in Colorado mountain towns based on locality, including tracking all expenses for personnel detailed to these locations and other hiring costs.	—
22-199-R24	01/25/2024	Site Technical Assessment Review-January 2024	R-10 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-14 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
23-088-R24	02/27/2024	Contract Trucking Safety and Compliance	R-2 Require freight auction brokers to report subcontractor authorization and vetting and develop a system of record to maintain the reported results.	—
			R-5 Communicate and create a mechanism to validate the use of team drivers for trips that exceed 500 miles, update freight auction statements of work, and terminate contractors who are non-compliant.	—
			R-6 Define freight auction applicability to Management Instruction PO-530-2009-4, Section 19 - <i>Special Circumstances</i> .	—
			R-7 Update and enforce freight auction guidance and include at minimum a process to verify driver history.	—
23-161-R24	03/28/2024	Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA	R-10 Communicate any impacts to customers when permanently moving processing operations of a three-digit ZIP Code™ to another processing facility.	—

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		Monetary Impact
23-145-R24	04/24/2024	Postal Service Hiring Practices	R-1	Develop and communicate a plan with specific actions, milestones, and metrics to attract more applicants in locations with hiring challenges.	—
			R-2	Provide facility management an opportunity to include facility specific information when requesting a job posting to help ensure external applicants are aware of job requirements.	—
23-167-R24	06/21/2024	State of the U.S. Postal Service Financial Condition	R-1	Update and communicate Delivering for America plan financial projections based on current conditions and environment.	—
23-168-R24	06/26/2024	Accuracy of Reported Service Performance	R-4	Publicize only Postal Service tracked and validated metrics.	—
24-038-R24	06/27/2024	Fleet Modernization - Electric Vehicle and Charging Infrastructure Incentives	R-2	Evaluate the feasibility of continuously monitoring incentive program participation at facilities with future electric vehicle and charging infrastructure deployments, to include conducting cost-benefit analysis and enlisting the possible use of contractors to support this action.	—
23-170-R24	07/16/2024	Fleet Modernization - Charging Station Deployment Timelines	R-1	Establish informed baselines for future sites that align with schedule management best practices.	—
24-040-R24	09/25/2024	Measuring Performance of Sorting and Delivery Centers	R-2	Develop a training for all sorting and delivery center supervisors specific to the network changes/impacts, including techniques to properly supervise route performance, and require all sorting and delivery center supervisors to complete.	\$1,420,862
			R-3	Clearly define the parameters for appropriate staffing levels at sorting and delivery centers to meet the Small Delivery Unit Sorter operational throughput goal.	—
			R-5	Finalize an automated process within the Rural Route Evaluation Compensation System to make necessary adjustments to reduce the number of overburdened rural routes.	—
			R-6	Complete the ongoing review of sorting and delivery center routes and make necessary adjustments to reduce the number of overburdened rural routes.	—
24-051-R25	10/03/2024	Fleet Modernization: Delivery Vehicle Acquisition Status	R-1	Develop an approach for including pertinent financial (i.e., costs and savings) and sustainability impact data in its Vehicle Acquisition Strategy and related contingencies.	—
24-057-R25	10/31/2024	Controls Over Purchase Card Facility Repairs	R-3	Establish guidelines and best practices to require project managers to identify and combine related service ticket requests and solicit contracts for projects that exceed expense purchase card authority threshold.	—
24-056-R25	01/08/2025	Fleet Modernization - Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center	R-5	Communicate to locations with electric vehicle infrastructure that policy regarding reporting safety hazards also includes electric vehicle infrastructure.	—
24-152-R25	01/27/2025	Network Changes - Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center	R-2	Develop and execute a comprehensive plan to improve the transportation performance at the Richmond Regional Processing and Distribution Center and monitor progress.	\$2,358,151

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		Monetary Impact
25-023-R25	03/20/2025	Mail Theft Mitigation and Response: Houston, TX	R-2	Develop a standard operating procedure outlining steps for station management on how to generate maintenance requests for electronic arrow lock and high security collection box installations.	—
24-133-R25	03/21/2025	Technology, Infrastructure, and Site Security Review	R-9	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-10	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-11	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-12	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-13	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-14	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
24-093-R25	03/27/2025	Postal Vehicle Service Operations	R-1	Clarify guidance for making insourcing decisions and develop more detailed cost comparison analysis and maintain records in support of insourcing decisions.	—
			R-2	Insoure highway contract routes when economically advantageous to the Postal Service and implement a waiver process when cost is not a main factor to insource.	—
			R-3	Develop a process to monitor and evaluate the operational efficiencies received from insourcing highway contract route contracts to determine if the expected benefits are being realized.	\$3,226,098
			R-5	Develop and share documentation to communicate lessons learned from the challenges faced during the Postal Vehicle Operator Pilot Program to site management at future pilot sites.	—
			R-6	Include specific requirements in the job announcements for Postal Vehicle Service operator positions (i.e. starting as part-time flexible or working outside of normal business hours).	\$65,328,390
			R-7	Develop and make available the training to obtain a commercial driver's license to interested postal vehicle operators.	—
			R-8	Determine complement and work toward hiring the number of schedule examiners vehicle runs and dispatch coordinators needed at nationwide Postal Vehicle Service sites.	\$10,936,174
			R-9	Develop a process to ensure site management monitors the accuracy of drivers' license expirations and Department of Transportation physical due dates in the Vehicle Information Transportation Analysis and Logistics system.	—
			R-10	Develop controls that prohibit users from entering invalid dates into the Vehicle Information Transportation Analysis and Logistics system.	—

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	Monetary Impact
24-145-R25	03/28/2025	Network Changes: Local Transportation Optimization in the Wisconsin Region	R-3 Require annual transportation optimization training for all Wisconsin region supervisors at optimized offices and track and monitor compliance.	—
			R-5 Review the need for Highway Contract Route drivers within the Wisconsin region to possess arrow keys, and obtain possession of keys no longer needed.	—
			R-6 Adjust or reinforce scheduled collection box times within the Wisconsin region, to allow for collection boxes to be accessed timely and communicate any schedule adjustments to the customers.	—

Total Number of Reports: **22**

Total Number of Recommendations: **46**

Total Monetary Impact: **\$106,303,445**

Appendix G: Status of Peer Review Recommendations



For the period: October 1, 2024 - March 31, 2025

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 OIG reviews conducted on us during the semiannual period; 2) any peer reviews conducted by the inspector general of another OIG 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

The last peer review conducted on USPS OIG was by the U.S. Department of Justice OIG for the period ending March 31, 2024, with a report date of September 9, 2024, with a rating of pass. There are no outstanding recommendations.

Peer Reviews Conducted by USPS OIG

The last peer review we conducted was for the U.S. Department of Agriculture OIG for the period ending March 31, 2023. The report was issued on September 19, 2023.

Research and Insights Solution Center

Peer Reviews Conducted on USPS OIG

None during the reporting period.

Peer Reviews Conducted by USPS OIG

None during the reporting period.

Office of Investigations

Peer Reviews Conducted on USPS OIG

None during the reporting period.

Peer Reviews Conducted by USPS OIG

OI conducted a peer review of the Department of Health and Human Services OIG. The onsite review was conducted in September 2024 and the final report was issued in October 2024.

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 (DOJ) 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, 2024 - March 31, 2025

Program	Investigations Closed	Arrests	Indictments / Informations / Complaints	Convictions - Criminal	Admin Action Taken	Cost Avoidance	Fines, Restitution, and Recoveries	Amount to the Postal Service, *PRC	To Mgmt. for Admin Action	Number of persons referred to DOJ for criminal prosecution	Number of persons referred to state and local authorities for criminal prosecution presentations	Criminal Indictments / Informations	Number of investigative reports issued	Convictions - Civil Settlements / Judgements	Referrals to USPS that were not Investigated
Computer Crimes	5	2	1	—	2	—	—	—	1	—	2	—	3	—	1
Contract Fraud	41	7	9	7	—	\$20,574,450	\$16,114,065	\$4,364,864	1	6	—	8	11	2	—
Financial Fraud	111	29	37	30	68	\$1,759,978	\$8,938,486	\$4,948,882	76	36	14	23	141	—	10
General Crimes	140	27	28	17	72	—	\$12,103,300	\$14,197	85	9	12	22	159	—	309
Healthcare Claimant Fraud	87	5	6	10	4	\$33,261,660	\$943,926	\$594,001	6	26	3	6	40	—	10
Healthcare Provider Fraud	24	3	8	15	6	\$13,812,076	\$31,025,679	\$3,283,246	—	6	—	7	5	3	—
Mail Theft	872	254	267	249	484	—	\$5,823,824	\$192,778	411	301	53	154	825	—	252
Narcotics	144	38	40	79	56	—	\$753,501	\$40,722	31	19	15	29	108	—	23
Office of Professional Responsibility	18	—	—	—	11	—	—	—	—	—	—	—	—	—	—
Total	1,442	365	396	407	703	\$69,408,164	\$75,702,781	\$13,438,690	611	403	99	249	1,292	5	605
PRC	—	—	—	—	—	—	—	—*	—	—	—	—	—	—	—

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



For the period: October 1, 2024 - March 31, 2025

Type of Scheme	Complaints Filed	Consent Agreements	Final Restraining Orders	Cease and Desist Orders
Advance Fee	—	—	—	—
Counterfeit Checks	—	—	—	—
Facsimile Checks	—	—	—	—
Failure to Pay	—	—	—	—
Failure to Render	—	—	—	—
Foreign Lottery	—	—	—	—
Identity Theft - Other	—	—	—	—
Investment Fraud	—	—	—	—
Invoice Schemes	—	—	—	—
Lottery	5	5	—	5
Medical Fraud - Other	—	—	—	—
Other	1	2	—	2
Psychic	—	—	—	—
Rebate and Refund	—	—	—	—
Reshipping Scheme	—	—	—	—
Sweepstakes	—	—	—	—
USPS Revenue Fraud	—	—	—	—
TOTAL	6	7	—	7

Other Administrative Actions

Temp. Restraining Orders Requested	—
Temp. Restraining Orders Imposed	—
Cases Using Direct Purchase Authority	—
Civil Penalties (Section 3012) Imposed	—
Test Purchases	—
Withholding Mail Orders Issued	0
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	\$235,623,100
VP Chief Inspector	Total Nonpersonnel Expense	\$68,752,019
VP Chief Inspector	Total Operating Expense	\$304,375,119
VP Chief Inspector	Total Capital Commitments	\$8,262,161

Appendix J: Congressional/PMG/Board of Governors Inquiries



For the period: October 1, 2024 - March 31, 2025

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 are 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, 2024, through March 31, 2025, the OIG received 52 new inquiries. Out of the 52 inquiries, we formally referred four to the U.S. Postal Service Office of Government Relations and three to the Postal Inspection Service for review. We closed 69 inquiries during this reporting period. Out of those, 53 were reviewed by our Office of Investigations and two were reviewed by our Office of Audit.

Congressional Testimony

Since its inception, the OIG has testified before Congress on various matters. During this reporting period, Inspector General Tammy L. Hull testified before the U.S. House Committee on Oversight and Government Reform on December 10, 2024. The hearing, entitled Oversight of the U.S. Postal Service, also included testimony from then PMG Louis DeJoy.

The hearing focused on the Postal Service's current service, operations, and finances, including oversight of changes to USPS's network and their potential impacts on mail delivery. Committee members' concerns included questions about local mail service and delivery issues, the Delivering for America plan, Postal Service finances, mail theft, as well as Postal Service employment levels. Inspector General Hull's 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, 2024 - March 31, 2025

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

None during the reporting period.

Supplemental Information



Freedom of Information Act

Our OIG Freedom of Information Act (FOIA) Office operates independently of, but frequently coordinates with, its counterparts at the Postal Service, the Postal Inspection Service, and the PRC. Our 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, 2024 - March 31, 2025

Requests	Number of Requests
Carryover from prior period	100
Received during period	523
Total on hand during period	623
Actions	Number of Requests
Processed during the period	609
Requests denied in full	22
Requests granted in full	26
Requests denied in part	108
Duplicate request	3
Fee-related reasons	0
No records	96
Not an agency record	123
Not a proper FOIA request for some other reason	0
Requests referred	82
Requests withdrawn	147
Records not reasonably described	2
Balance	Number of Requests
Balance at the end of the period (pending)	14
Processing Days	Number of Days
Median processing days to respond to a FOIA request	0

Workplace Environment

The Office of Investigations’ 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 include nepotism, harassment, hostile work environment, and discrimination.

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 PRC and 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, 2024 - March 31, 2025

Total complaints reviewed and closed: 398

Whistleblower Reprisal Investigations

For the period: October 1, 2024 - March 31, 2025

Whistleblower Reprisal Activity	
Allegations received	89
OIG investigations initiated	1
Investigations closed with no action	0
Allegations closed with no action	94
OIG found reprisal	0

Supplemental Information



Summary of Performance

For the period of: October 1, 2024 - March 31, 2025

Audits	
Reports issued (excluding RISC white papers)	45
Recommendations issued	156
Total reports with financial impact	10
Funds put to better use	\$135,437,662
Questioned costs	\$121,950,373
Revenue impact	\$10,016,853
Total	\$267,404,888

RISC White Papers	
White papers issued	1
Recommendations issued	0

Investigations ⁴	
Investigations completed	1,442
Arrests	365
Indictments/informations	396
Convictions/pretrial diversions ⁵	407
Administrative actions	703
Cost avoidance	\$69,408,164
Fines, restitution, and recoveries	\$75,702,781
Amount to the Postal Service ⁶	\$13,438,690

OIG Hotline Contacts	
Telephone calls	16,616
Email	23,137
Webforms	16,311
Standard mail	1,037
Voicemail messages	1,195
Facsimile - FAX	159
Total Contacts	58,455

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⁴ Statistics include joint investigations with other law enforcement agencies.

⁵ Convictions reported in this period may be related to arrests in prior reporting periods.

⁶ Amounts include case results of joint investigations with other OIG, federal, state, and local law enforcement entities.

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	35-56
5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	58
5(a)(5)	Summary reports made to the head of the establishment under section 6(b)(2) of instances where information was refused	60
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	4, 26-34, 62
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	26-31
5(a)(9)	Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use	32
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	31-32
5(a)(11)	Description and explanation of the reasons for any significant revised management decisions	53-56
5(a)(12)	Information concerning any significant management decisions with which the Inspector General disagreed	53-56
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	57
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	57
5(a)(16)	List of any outstanding recommendations made from any previous peer review that remain outstanding or have not been fully implemented	57
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	58
5(a)(18)	Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)	58
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	22-23
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	24, 61
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	60
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	30



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 postal 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



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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/>

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