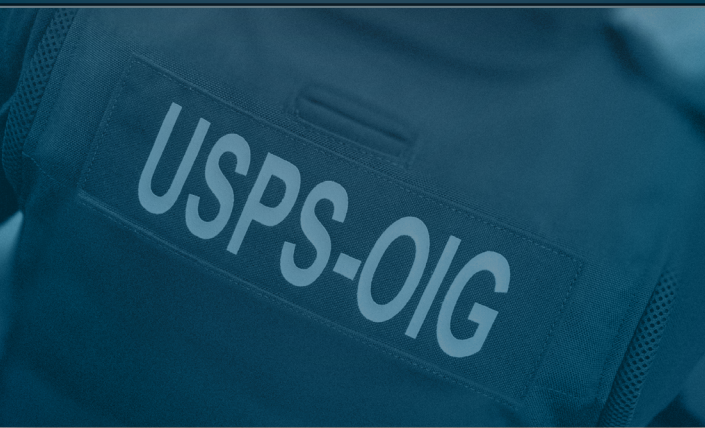




SEMIANNUAL REPORT *to* CONGRESS

FALL 2025

APRIL 1 - SEPTEMBER 30, 2025



A Message *from the* Inspector General

It has been another successful year for the United States Postal Service Office of Inspector General (USPS OIG). Over the last six months alone, we returned over \$184 million to the federal government and other victims, including more than \$78 million to the Postal Service. We've issued 76 reports, made 498 arrests, and completed 1,348 investigations.

We remain a lean and efficient organization that always looks for new ways to leverage cutting-edge technology and data analytics to efficiently focus our limited resources. For example, to aid our investigations into mail theft, we developed a powerful tool that helps us pinpoint exactly where in the postal system checks and credit cards go missing. Another example is using data analytics to guide our audits by identifying where across the country postal problems are occurring. We have even started to venture into the use of AI.

Our work helps inform the Postal Service, the USPS Board of Governors, the Postal Regulatory Commission, and Congress. We also keep Congress informed by participating in congressional hearings. Over the past year, OIG leadership testified at four congressional hearings covering postal oversight, workers' compensation, and mail theft.

I am proud of the USPS OIG as we continue to meet our mission to promote the integrity, accountability, and efficiency of the U.S. Postal Service and its regulator, the Postal Regulatory Commission. The USPS OIG continues to do its part to fight fraud, waste, and abuse in the federal government and help the Postal Service continue delivering for the American public.

Please take a moment to read this report and learn more about our work. In this Semiannual Report to Congress, we provide highlights from our work covering three major areas — Postal Crime, Service Performance, and Workforce Management.



Tammy L. Hull
Inspector General, United States Postal Service



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About Us

The U.S. Postal Service Office of Inspector General provides essential oversight to the United States Postal Service 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 staff works 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) 2025, our agency was made up of 864 personnel in 95 field offices across 40 states and 90 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 691 postal employees.

We provide a prudent return on investment to USPS, returning over \$9 for every \$1 invested in our FY 2025 budget alone.

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 highlight some of our biggest findings and investigations while covering 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 investigative work, 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 four program areas:

- Field Operations
- Finance, Pricing & Human Capital
- Operations, Performance & Services
- 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 supports 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: April 1 – September 30, 2025

AUDITS and WHITE PAPERS



Questioned Costs:
\$1,542,582,177



Revenue Impact:
\$70,430,916



Funds Put to Better Use:
\$125,204,349

Total: **\$1,738,217,442**

Reports Issued: **76**

Recommendations Issued: **265**

Total Reports with Financial Impact: **20**

INVESTIGATIONS¹

Investigations Completed: **1,348**

Arrests: **498**

Indictments/Informations: **544**

Convictions/Pretrial Diversions:² **476**

Administrative Actions: **684**



Amount to the Postal Service:³
\$78,048,622



Cost Avoidance:
\$273,436,498



Fines, Restitution, and Recoveries:
\$186,645,261

HOTLINE CONTACTS



Facsimile
345

Voicemail Messages
776

Telephone Calls
14,531

Standard Mail
874

Email
21,859

Webforms
14,938

Total Contacts:
53,323

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.

Postal Crime

A dark blue background featuring a faint, high-contrast image of a person in a suit. The person's hands are visible, wearing metal handcuffs. The image is oriented vertically, with the person's torso and arms visible. The overall tone is serious and official.

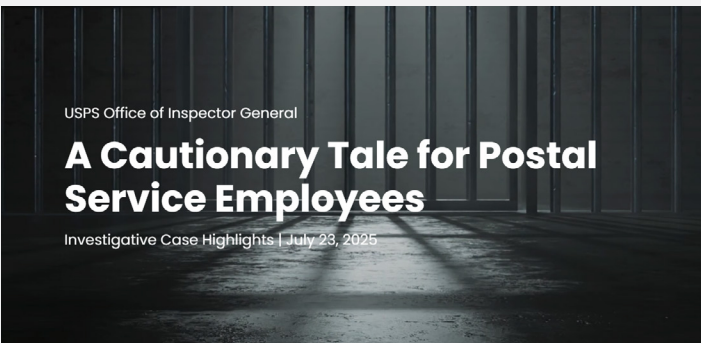
Postal Crime



Criminal activity involving Postal Service personnel continues to pose a challenge to the agency, especially as employees turn to outside criminal organizations seeking to exploit the vast postal network. This collusion has significantly magnified the harm inflicted on victims, underscoring the importance of our investigative efforts now more than ever.

Dismantling Mail Theft Conspiracies

In a major investigation, our special agents partnered with the U.S. Postal Inspection Service (USPIS) to take down a mail theft ring that stole more than \$17 million from victims in Mobile, AL. A man had recruited a postal employee to steal hundreds of checks destined for business PO Boxes at a local post office. The co-conspirator would then alter and sell the checks on a popular social media app with the help of others involved in the scheme.



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

Investigators arrested the employee and her accomplice, who was found with \$10,000 cash, drugs, a handgun, and stolen checks valued at more than \$417,000. This February, the employee was sentenced to five years in prison and ordered to pay over \$230,000 to her victims. The court ordered the accomplice to pay back the same amount but sentenced him to more than eight years in prison for his crimes.

Another investigation brought to justice a mail carrier who, with her boyfriend, stole and fraudulently used credit cards, checks, and other financial instruments in Bethesda, MD. Working alongside USPIS and the Montgomery County Police Department, investigators found the pair had inflicted about \$2.8 million in damages on more than 1,600 victims.

The carrier was arrested, indicted, and pleaded guilty. This February, she was sentenced to a year and four months in prison and ordered to pay over \$140,000 in restitution. Her boyfriend, who has a history of criminal activity, is set to be sentenced later this year. Read more in our [Investigative Case Highlights](#).

OIG Mail Theft Investigations for the period: April 1 - September 30, 2025

Investigations Closed	778
Arrests	306
Convictions/Pre-trial Diversions	262
Administrative Actions	411
Fines, Restitution, and Recoveries	\$17,877,458

Beyond Our Mail Theft Investigations

Our researchers provide powerful insights into the problem of mail theft, and our auditors find system vulnerabilities that may aggravate it, often alerting the Postal Service about them in real time. For instance, while visiting the contractor-operated Denver Regional Transfer Hub during an audit, we alerted the agency of issues that put mail at risk of theft and unauthorized handling.

Specifically, we found improperly removed tags from Priority Mail Open and Distribute (PMOD) containers in the mail repair station. Management expressed concern that contractors were opening PMOD sacks to pilfer medications. We also found the facility did not have sufficient controls

“Given the volume and complexity of cases, we must leverage cutting-edge technology and data analytics that allow us to efficiently focus our limited resources. One example is a powerful data tool we developed in collaboration with the financial services industry and the U.S. Treasury. It helps us pinpoint exactly where in the postal system checks and credit cards go missing. This tool has proven to be invaluable, allowing us to proactively identify mail theft. To date, this tool has identified around \$250 million in stolen financial instruments, leading us to open 75 investigations and obtain more than 35 indictments.”



– Deputy Inspector General Julius Rothstein’s [testimony](#) at a recent congressional hearing on mail theft and crime before the House Committee on Oversight and Government Reform’s Subcommittee on Government Operations

Postal Crime



over Registered Mail and, regarding damaged mailpieces we found, management said packages had disappeared overnight from the repair station, which was not always staffed.

We issued a [management alert](#) to the Postal Service, and it agreed with our recommendation to prioritize insourcing the hub's operations. By sharing our findings as the audit was underway, management was able to take corrective action even before we issued the alert. This included installing a registry cage and additional security cameras at the hub, as well as providing an updated staffing plan to ensure coverage during all work tours, seven days a week.

Finally, a [white paper](#) on mail theft examined the growing challenge of last-mile package theft in the parcel delivery industry — this is what is commonly referred to as “porch piracy.” Our researchers found that while data limitations make it difficult to precisely measure the scale of the problem, losses are estimated between \$5 billion and \$16 billion each year. Drawing on examples from other industries where coordinated approaches have been effective, the paper emphasizes the need for stronger collaboration among retailers,

delivery services, consumers, and public officials to reduce theft. It also outlines potential solutions such as secure delivery options, improved data sharing, and stricter legal frameworks. The Postal Service already plays an active role in combatting package theft and is well positioned to lead broader cooperative strategies in the future.

At least 58 million Packages

Are Estimated to Have Been Stolen in the U.S. in 2024



\$5.2 - \$16 Billion
in Estimated
Annual Losses

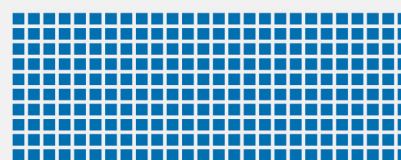
Most Stolen Packages
Cost Between
\$50 - \$204



of Americans Have Been Affected

49 - 58 Million

Victims of Package Theft



Source: OIG Analysis of National Surveys

Note: Ranges across sources arise from variations in representative sample sizes and differing analytical methods.



Halting Multi-Million Dollar Health Care Fraud Conspiracies

In a record-breaking investigation, our special agents brought to justice a group of health care providers that led to the largest cash forfeiture in the history of the Department of Justice's Northern District of Texas and Health Care Fraud Unit.

The OIG opened its investigation in 2015 after three related pharmacies in Fort Worth and Arlington, TX, received disproportionately high reimbursements under the Department of Labor Office of Workers' Compensation Program (DOL OWCP). Investigators found a few physicians had been prescribing medically unnecessary compound creams to injured federal workers — a significant portion of them postal employees.

In about three years, the pharmacies billed OWCP more than \$145 million and were paid more than \$90 million for unnecessary prescriptions from the prescribing doctors in exchange for millions of dollars in illegal bribes and kickbacks. The pharmacy owners then attempted to conceal the ill-gotten gains by laundering the money through purported holding companies while attempting to evade federal taxes on them. The total tax harm to the United States was about \$24 million.

The owners then concocted a second scheme: fraudulently billing a major medical insurance company for unnecessary prescriptions for the pharmacies' own employees. For that, they recruited a physician assistant who never examined or treated employees yet prescribed more than \$556,000 worth of compound medications.

Two pharmacy owners pleaded guilty and were sentenced to a combined 32 years in prison. They were also ordered

to pay over \$115,000 in restitution to their victims. As a result of this investigation, over \$396.5 million in funds seized from financial accounts along with real property valued at over \$4.6 million have been forfeited to the government.

Our special agents also opened a parallel probe in 2015, when they found another family-owned pharmacy in Pharr, TX, was billing OWCP disproportionately high reimbursements: over \$95 million, of which it received more than \$41 million in payments. The pharmacy had also billed TRICARE more than \$9.8 million and was paid about \$8 million.

The pharmacy owner engaged in elaborate kickback schemes but brought more people into the fold for his operation: five marketers, a physician and four of his clinical staff, and others conspired to refer medically unnecessary compound pain cream prescriptions that the owner then billed to the two programs.

The purported marketers and the physician's clinical staff were conduits for several million dollars in kickbacks for the drug referrals. And in numerous instances, the marketers shared kickbacks they received from the pharmacy owner with referring physicians and other clinic staff.

All eleven defendants were arrested, charged, and eventually pleaded guilty to conspiracy to commit health care fraud and/or conspiracy to pay and receive kickbacks. To date, nine defendants have been sentenced — four to time served and the other four to a combined more than 16 years in prison. The nine were ordered to pay their victims back a combined over \$33 million in damages.

Postal Crime



Drugs, guns, and narcotics paraphernalia seized at takedown. Source: DEA.

Disrupting Narcotics Trafficking

The USPS OIG continues to aggressively investigate postal employees who collude with drug trafficking organizations (DTO) to move illegal narcotics through the mail in and across state lines. In one investigation, our special agents dismantled a street gang in Orlando, FL, that was moving drugs into the state from Puerto Rico. The Drug Enforcement Administration had referred the case after investigators spotted its top suspect meeting with a uniformed Postal Service employee. Six other federal and local law enforcement agencies joined as part of an Organized Crime Drug Enforcement Task Force investigation.

The uniformed employee was a mail handler at the Orlando P&DC who, along with the members of the DTO, brazenly sold drugs on USPS grounds. Investigators first intercepted a 3.3 kg package containing about 27,500 fentanyl pills disguised as pharmaceuticals. This led to the arrest of the ringleader, the mail handler, and two other co-conspirators. A month later, investigators arrested more suspects and executed two search warrants that uncovered at least 12,000 more fentanyl pills, cocaine, methamphetamine, firearms, cash, jewelry, and several luxury and sports vehicles worth hundreds of thousands of dollars.

Five of the suspects pleaded guilty, including the mail handler, who was sentenced to almost six years in federal prison and ordered to forfeit two vehicles, which were traceable proceeds of the offense. The ringleader was sentenced to 15 years’ imprisonment and two other suspects were sentenced to a combined 10 and a half years in prison.

OIG Narcotics Investigations for the period: April 1 - September 30, 2025	
Investigations Closed	133
Arrests	51
Convictions/Pre-trial Diversions	95
Administrative Actions	33
Fines, Restitution, and Recoveries	\$4,373,269



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



Cars, motorcycles, and all-terrain vehicles seized at takedown. Source: DEA.

Service Performance



Service Performance



Field Operations Reviews

The Postal Service defines “service performance” as the time it takes to deliver a mailpiece or package from acceptance through delivery. Our Field Operations Review Teams (FORT) perform localized, facility-specific audits related to mail processing, logistics, and delivery networks — audits typically prompted by congressional requests or poor service performance indicators.

As part of these reviews, teams perform a cluster of audits, where one team visits one or more processing plants while other teams visit several delivery units that receive mail from the plants. In this reporting period, we visited 33 facilities in these postal districts: [Arizona-New Mexico](#), [Georgia](#), [Iowa-Nebraska-South Dakota](#), [Kansas-Missouri \(St. Louis, MO, area\)](#), [Kentucky-West Virginia](#), and [North Carolina](#).

Of note is the Kansas-Missouri cluster, where we deployed quick response teams to two plants and seven delivery units after congressional members from Missouri requested we look into operations in the [St. Louis area](#) and the impacts on delivery. The visits led to a significant finding: about 2.6 million delayed mailpieces at the P&DC — the largest delayed mail volume since our field operations reviews began in 2022. Of the 2.6 million, the Postal Service underreported about 1.1 million mailpieces. We also found systemic issues with delayed mail at the delivery units and scanning compliance issues affecting all nine facilities. This is in addition to issues with arrow key security and property conditions found at the delivery units.

Postal Service management agreed with our 20 recommendations for the P&DC and the other plant we visited — the St. Louis Network Distribution Center. Management also took immediate actions to address the delivery unit issues, resulting in only two recommendations related to staffing and training in the capping report.

Also of note are the Kentucky-West Virginia audits, where we visited three delivery units and the P&DC in Louisville, KY. We found reported and unreported delayed mail, arrow key security issues, package sortation for dispatch exceptions, and substandard property conditions at the units. Although the plant reported its delayed mail, we identified issues related to safety and security, missed mail clearance times, and scanning compliance of mail transport equipment.

Postal management agreed with our 11 recommendations for improvements at the P&DC. It also addressed most of the conditions in our interim reports, leaving two outstanding recommendations in the capping report: First, to provide staff training on the proper procedures for reporting delayed mail,

and second, to adequately staff two of the delivery units we visited — postal management agreed with both.

In this reporting period, we also introduced two new types of reports that build on FORT work performed during FYs 2023 and 2024. These new audits provide a bird’s-eye view of national service and operational performance by revisiting postal facilities we previously audited, allowing our auditors to identify trends and systemic issues the Postal Service can address.

For the [first audit](#), we went back to 21 delivery units and found they were still underreporting delayed mail or not reporting it at all, and further analysis indicated this may be a nationwide issue. Data analysis for all 72 previously audited facilities showed the number of packages inaccurately scanned at delivery units went down for 58 of them; however, improper scanning remained an issue at other units around the country. Finally, we found the delivery units still did not keep accurate arrow key inventories. Of the six recommendations we made, postal management agreed with two, partially agreed with one, and disagreed with three.



For the [second audit](#), we returned to six mail processing plants and performed additional analysis on all 24 previously audited mail processing facilities. While service performance for First-Class Mail stayed relatively consistent, we found Priority Mail and Ground Advantage service generally declined. We also found many of these facilities continue to have persistent issues with delayed

mail reporting, late and canceled outbound trips, safety and security, and scanning compliance. A contributing factor to the latter is over 20 percent of the scanners assigned to those facilities had not been used since at least June 2024. Management agreed with six of our seven recommendations for the plants.

Service Performance



We are pleased to report the findings and recommendations in these nationwide FORT reports provide opportunities for the Postal Service to address systemic issues and improve field operations, ultimately improving service for its customers.

Delivering for America Oversight

Keeping with its strategic Delivering for America (DFA) plan, the Postal Service has rolled out several new initiatives in recent years aimed at streamlining operations, improving service performance, and reducing costs. Some involve significant changes to the postal network, such as strategies to optimize transportation and building larger mail processing facilities like the regional processing and distribution centers (RPDC) — massive plants designed to consolidate operations from nearby postal facilities.

Of note is the new RPDC in Atlanta, GA, which had faced serious problems during implementation leading to an immediate and significant decline in service performance in the Atlanta region. A [follow-up audit](#) there found improved service performance since the launch; however, performance is still below nationwide averages and well below goals. More significantly, the RPDC is unlikely to achieve expected savings of \$89 million for FYs 2026 and 2027 as the facility continues experiencing challenges related to the layout and space needs, management oversight and workplace culture, and transportation.

For instance, the Atlanta RPDC cannot handle the volume of mail and trailers it receives at times and remains one adverse event away from gridlock — instead, it has been forced to expand operations into a nearby annex. Insufficient supervision and a poor work culture also negatively impact operations, delaying mail processing. These issues contributed to over \$16.1 million in questioned costs related to overtime, facility lease, and transportation expenses. Management agreed with five of our eight recommendations.

For a more detailed overview of recent DFA initiatives and their impact on postal operations and service performance, read our latest [audit](#) on the topic — the second of a series of semiannual reports. Our dedicated [DFA webpage](#) also highlights this oversight work.



Photograph taken at the Atlanta RPDC December 18, 2024. Source: OIG.

Not all RPDCs have faced the same challenges: In Boise, ID, the Postal Service applied past lessons and succeeded with the implementation of its RPDC, where the facility did not experience a significant decrease in service performance. However, our [audit](#) found the agency did not achieve expected cost savings, as decreases in efficiency and increases in overtime led to over \$1.6 million in costs questioned. Postal management agreed with two of our three recommendations.

Another significant network change was the introduction of Local Transportation Optimization (LTO), a strategy to redesign USPS's surface transportation network to move more mail volume on fewer trips. In April 2025, the Postal Service made some adjustments to the original initiative, expanding it nationwide and rebranding it as Regional Transportation Optimization (RTO). Specifically, under RTO, some areas collect and process mail from delivery units the next day, likely adding an extra day to service. Our audit on LTO implementation in the New Orleans, LA, region found an overall decrease in service and it echoes the disparate impact on rural communities identified in earlier audits.

The LTO affected 25 percent of the total population in the New Orleans region, with those in rural locations being four times more likely to be impacted compared to those in urban locations. We also found scanning compliance issues affecting 55 of the 56 optimized post offices in the region and that transportation trips were not feasible to complete. Management agreed with four of five recommendations.

Regional Transfer Hubs (RTH) are another DFA plan initiative that is designed to save money by reducing long-distance trips with fuller trucks. Our [audit](#) found USPS successfully implemented RTHs and reported significant cost savings. However, the agency did not track actual savings from the initiative, and service performance was lower than the national average for mail sent through RTHs. The lack of a goal to measure progress toward maximizing utilization and other issues we found made it impossible to determine whether the impacts on cost, customer service,

Service Performance



or trailer utilization are effectively meeting RTH objectives. Management agreed with two of our five recommendations.

Another [audit](#) looked at the Postal Service's First Class Mail and Priority Mail service performance since FY 2022. Given the effects network changes have had on service performance, the agency increased the standard delivery time for over 30 percent of mail, which provides the agency more time to meet performance targets. But despite lowering its service standards, we found the amount of First-Class Mail and Priority Mail delivered on time has gone down since FY 2022. We also found that while on-time performance has declined in recent years, USPS has been more efficient in its operations through workhour reductions and has had a significant decline in costs for transportation.

With more changes on the horizon, service will likely continue to be impacted even with the Postal Service reducing its on-time delivery target for First-Class Mail by 4.5 percent in FY 2025. Management agreed with five of our seven recommendations in this report.

Finally, [we audited](#) how the Postal Service processes and handles Postal Automated Redirection System (PARS) mail — the system's primary role is to process Undeliverable as Addressed machinable letter mail. A significant finding was USPS reported inaccurate and outdated PARS data on the PostalPro website. Specifically, certain data sets, such as the Undeliverable as Addressed mail volume tables, have been inaccurate since 2006.

The Postal Service could create a service standard for PARS mail. It can also improve the proper handling of PARS mail at delivery units, as we found improper handling of this mail cost the agency about \$17.2 million for undeliverable Marketing Mail and \$95.5 million for mail with no valid Change of Address. Without these further improvements, we forecast an additional \$124.5 million will be incurred in FYs 2025 and 2026. Management agreed with 10 of our 11 recommendations.



Mail Volume Is Declining — What Does that Mean for the Postal Service?

Two mail products make up about half of USPS's revenue: First-Class Mail and Marketing Mail. However, because of the increase in digital alternatives, mail volume in the United States has been in steep decline since it peaked in 2006.

This [white paper](#) projects that from 2025 to 2035, the combined mail volume of those two products could decline a further 14 to 41 percent, depending on economic conditions and electronic diversion trends. Even a baseline scenario where current trends continue could still see a 29 percent decline in volume. As traditional mail volumes continue to decline, significant actions may be needed to allow USPS additional financial flexibility, cost-savings, or to generate additional revenue.

The background image shows two USPS workers in a mail processing facility. One worker on the left is wearing a white short-sleeved shirt and dark shorts, looking down at a clipboard. The other worker on the right is wearing a dark blue long-sleeved shirt with a red and white stripe on the sleeve and dark pants, also looking down. They are standing in front of large metal mail sorting bins. One bin has the number '613' on it. A clipboard with papers is visible in the foreground. The entire image is overlaid with a dark blue tint.

Workforce Management

Workforce Management



The Postal Service's operations depend on its 639,000 employees, of whom roughly 106,000 are pre-career employees who do not receive the same level of benefits as their career counterparts. For some time, retaining pre-career employees and attracting enough applicants to fill some open positions has been a challenge for the agency, especially as its workforce continues to age and approach retirement.

Our [white paper](#) looked at organizations in the public and private sectors to identify best practices that can better inform USPS's recruiting, hiring, and onboarding strategies. These include leveraging AI to optimize talent acquisition, building an "employer of choice" brand, quickly bringing new hires on board, and boosting retention with effective onboarding, among others. The paper also describes current practices the Postal Service has implemented in this area and offers ways to enhance hiring of pre-career employees, whose staffing and retention can impact its ability to meet service performance standards.

Our audits also shed light on areas the Postal Service can improve its workforce management. For example, the agency has a zero-tolerance policy for workplace violence to protect employees from having to work in an atmosphere of fear and intimidation. Over 2,640 violent incidents and almost 140 suicides were reported between FYs 2022 and 2024. An [audit](#) examined the effectiveness of USPS's Workplace Violence Prevention Program during that period.

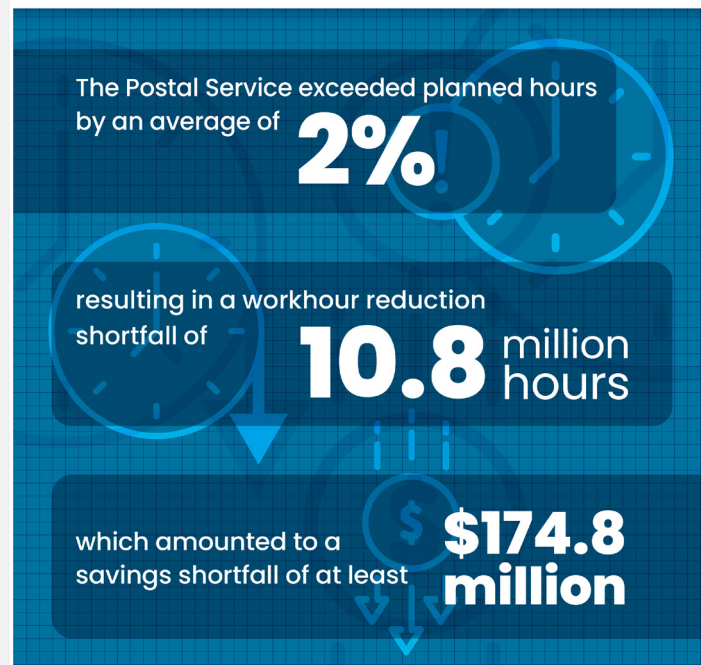
Overall, we found the program was sufficient in providing content and resources to the workforce. However, workplace violence incidents are being underreported by Threat Assessment Teams and facility managers. Our analysis revealed 85 percent of cases deemed as credible threats by USPS were not entered into the Postal Service system. If a threat is severe enough, the facility manager should receive an outcome memo with recommendations aimed at reducing the potential for violence. Threat Assessment Teams (TAT) were able to provide 51 percent or about half of the TAT Outcome Memos upon request. Management agreed with two of our four recommendations to address the issues we identified.

Another [audit](#) looked at the Postal Service's efforts to reduce workhours in mail processing — an area where it employs over 107,000 workers. The agency planned to reduce mail processing workhours by more than 28 million hours between FYs 2022 and 2024. While management reduced workhours by more than 17 million hours during that period, there may be opportunities to further reduce workhours by stabilizing or improving productivity.

For instance, we found mail processing facilities used 10.8 million more hours than planned, which resulted in at least

\$174.8 million in added costs. Additionally, while productivity increased slightly during FY 2024, it still averaged below FY 2022 levels. Postal management agreed with all three recommendations.

During FYs 2022 through 2024



Efforts to Reduce Workhours in Mail Processing. Source: OIG.

Finally, our Office of Audit published a [white paper](#) on the increasing costs in workers' compensation at the Postal Service, which rose significantly by \$277.2 million (23 percent) between chargeback years (CBY) 2022 and 2024. Also, its workers' compensation cost per workhour was consistently greater when compared to private industry during CBYs 2023 and 2024. If the Postal Service was allowed to adopt the practices used by private industry to control these costs, it could have potentially saved a total of \$4.15 billion over a 10-year period, from CBY 2015 to CBY 2024.

Going forward, it is imperative that Postal Service management take appropriate actions to reduce costs and consider pursuing legislative strategies that would allow costs to better match industry norms. Management agreed with our recommendation and monetary impact indicating the agency could have saved a total of \$1.2 billion in CBYs 2023 and 2024.

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

Senior Executive Investigations



Substantiated Allegations:

The OIG received a complaint that a Postal Service executive engaged in time and attendance abuse and misuse of official time by frequently leaving work early to play poker at a local casino, and by providing a false justification when seeking to be excused from a national business event.

During the investigation, the OIG substantiated four findings:

1. On approximately 152 occasions from November 2022 to July 2024, the executive went to a casino during normal work hours and had no associated leave request. On several of these occasions, there was no record of the executive coming to their office when they should have reported to work.
2. The executive participated in a poker tournament during a national business event, for which they had requested excusal to attend a family event.

3. The executive falsely misrepresented their participation in poker tournaments when questioned by investigators.
4. The executive did not report their gambling winnings on required Office of Government Ethics (OGE) 450 financial disclosure forms.

The OIG provided its Report of Investigation to USPS for appropriate action. The Postal Service concurred with the findings and issued a Notice of Removal. Upon appeal by the executive, USPS entered into a settlement agreement whereby the executive agreed to a 30-day unpaid suspension, downgrade to a lower level, and to retire or resign no later than March 31, 2026.

Unsubstantiated Allegations:

During the reporting period, no instances of alleged misconduct by a PCES employee were unsubstantiated.

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:
April 1 - September 30, 2025

276 Allegations Received

1 OIG Investigations Initiated

1 Investigations Closed with No Action

273 Allegations Closed with No Action

0 OIG Found Reprisal



Postal Service Management Challenges



The role of a federal inspector general includes evaluating the challenges facing a specific agency. The U.S. Postal Service Office of Inspector General has therefore independently identified the following as the most critical challenges confronting Postal Service management:

- Financial Challenges and Business Constraints
- Service Performance
- Inherent Tension Between Business and Government
- Infrastructure Modernization
- Workforce Challenges
- Changing Customer Demands and New Competition
- IT Modernization and Cybersecurity
- Using the Mail to Facilitate Criminal Activity

Financial Challenges and Business Constraints

The Postal Service has a history of financial net losses dating back to 2007, when the Postal Accountability and Enhancement Act was enacted, which was then followed by the Great Recession of 2008. After over a decade of losses, in March 2021, the Postal Service sought to address its challenges through its 10-year Delivering for America (DFA) plan, with a primary goal of achieving break-even operations by generating enough revenue to cover operating costs and obligations. The plan also outlined \$40 billion in capital investments, \$24 billion in revenue improvements, \$34 billion in management cost savings, \$44 billion in regulatory changes, and \$58 billion in legislative and administrative actions to improve financial performance.

The Postal Service has made some progress with its DFA plan, including the implementation of pricing flexibilities and the passage of the Postal Service Reform Act (PSRA) in April 2022. Specifically, the Postal Regulatory Commission provided USPS more flexibility in pricing its products and granted price increases reflective of the inflationary environment, while the PSRA removed the requirement for the Postal Service to fully prefund its retiree health benefits costs, saving the agency billions of dollars of prefunding payments each year.

Additionally, five years ago, the Postal Service received \$10 billion from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to assist in covering costs due to the COVID-19 pandemic. It also received \$3 billion from the Inflation

Reduction Act to help pay for implementation of electric vehicles and charging infrastructure.

In terms of financial performance over the last two years, the Postal Service reported a \$6.5 billion net loss in FY 2023 and a \$9.5 billion net loss in FY 2024, which was \$3.2 billion worse than USPS projected in its Integrated Financial Plan. This loss included an unanticipated negative \$2.2 billion adjustment to the workers' compensation liability due to changing discount rates and actuarial adjustments. In addition, during FY 2024, USPS grew revenue by \$1.2 billion but that fell below projections, mainly because of unanticipated competition in the package market and a fall in demand for Priority Mail. The Postal Service continues to be threatened by changes in consumer and business behavior, growing costs, increasing competition from electronic alternatives and new market entrants, and uncertainty in mailing and shipping markets.

Although the Postal Service has grown revenue, primarily due to package growth and price increases, expenses continue to outpace revenues. Employment costs continue to grow with inflation, despite declining work hours. USPS ended FY 2024 with \$19.3 billion in cash, but ultimately, future retirement obligations will need to be funded. The agency will need to begin paying into the Postal Service Retiree Health Benefit Fund in 2026, and the Civil Service Retirement System and Disability Fund unfunded obligations will continue to grow. The Postal Service needs to achieve financial sustainability despite these continued challenges to continue its mission of providing critical service to the American public.

Service Performance

As part of its DFA plan, the Postal Service established strategies with the goal of achieving financial sustainability, cutting costs, and meeting service performance standards. Since the plan's issuance, USPS has been transforming its network, recalibrating its operating plans, adjusting its First-Class Mail service standards, investing in package sorting equipment, and redesigning its mail processing and delivery facilities by introducing sorting and delivery centers (S&DC), local processing centers (LPC), and regional processing and distribution centers (RPDC).

The Postal Service is still well below the DFA plan goal of 95 percent on-time delivery for most mail products. Throughout the implementation of the plan, USPS has slowed some of its standards. In particular, in October 2021, it implemented service standard changes for First-Class Mail letters and flats from a one-to-three-day to a one-to-five-day service standard. The Postal Service is also pursuing moving to a

Postal Service Management Challenges



more granular service standard measurement to align with ongoing network changes. The agency also has service performance targets to track how often different products meet the service standard. During FY 2025, the Postal Service decreased service targets for some products, including First-Class Mail.

Service performance challenges spanned across the year, including during the Postal Service's busiest season — Thanksgiving to New Year's Day, known as "peak season." Specifically, during the FY 2025 peak season, USPS did not meet five of the six service targets, and delays continued after peak season — a time during which it experiences a high volume of returns — as well.

Critical operational challenges such as aligning staffing and transportation with volume continue to limit the Postal Service's ability to meet its commitments to an ever-expanding network of over 164 million delivery points. As network changes continued to roll out through FY 2025, service was heavily impacted in select regions, particularly in rural communities. This was largely attributed to a major change to operations the agency began in October 2023, when it implemented its first transportation optimization initiative within the Richmond, VA, area. In April 2025, the Postal Service made some adjustments to the original initiative, expanding it nationwide and rebranding it as Regional Transportation Optimization (RTO). RTO is designed to reduce the number of trips and mail collections at USPS facilities located more than 50 miles from select processing facilities. Specifically, under RTO, some areas collect and process mail from delivery units the next day, adding an extra day to service. One of the Postal Service's goals is to provide customers with sustained service excellence. Service, and the resulting customer loyalty, is also integral to the agency's goal of becoming financially self-sustaining. As USPS conducts more facility conversions and continues to roll out network changes, it can use lessons learned from prior implementations to mitigate impacts to service.

Inherent Tension Between Business and Government

The Postal Reorganization Act (PRA) of 1970 entrusted the Postal Service with an "obligation to provide postal services to bind the Nation together" and a mission to provide trusted and affordable universal service to the American public. Congress aimed to give USPS the management flexibility of private enterprise while maintaining government ownership and the civil service status of postal employees. It established the Postal Service as an independent agency that receives most of its funding through revenue from postage, supported

by the longstanding mailbox and mail delivery monopolies rather than from congressional appropriations. As a result, unlike nearly every other federal agency, USPS is structured to be self-funded, operating in a corporate fashion.

Over the last few decades, however, the steady decline of mail volume, the substantial liability of health and retirement benefit programs and, recently, an increasingly competitive package market have strained the Postal Service's financial sustainability. While the postal market has undergone significant changes since the agency was established, subsequent legislative reforms — including financial relief in 2022 — have left the postal legal framework largely unchanged. USPS still operates under many of the same laws, creating a combination of benefits and restraints. As a result, there has been a recurring debate over whether the "businesslike" model established by Congress in 1970 is optimally tailored to allow the agency to fulfill its mandated public mission while staying financially viable and competitive as mail volumes decline in today's complex environment.

While the private sector and many foreign postal operators have had the freedom to diversify to create new sources of revenue, the Postal Service must rely almost entirely on revenue from postal products and services. With declining mail volumes and revenue, covering the costs of universal service has become increasingly challenging. Therefore, to pay for operating expenses — such as labor, transportation, materials, and investment in network improvement and vehicles — USPS not only relies on the cash generated from the sale of products and services, but also from investments and borrowed funds. Approximately 77 percent of its operating budget is spent on labor, under a complex combination of private and public sector laws. For instance, unlike private sector competitors, the agency has little control over the parameters of its retirement and workers' compensation programs. The Postal Service is restricted to investing retirement assets in low-risk, low-interest federal securities, limiting the funding of retirement liabilities through potentially more lucrative investments.

The remaining 23 percent of USPS's operating budget is spent on transportation, materials, and services. Procurement laws and regulations are less restrictive than those applying to other federal agencies. However, the Postal Service is required to comply with certain specific laws that relate to the federal purchases of products and services, creating disadvantages compared to the agility of the private sector. A unique framework also governs its borrowing authority, including to fund capital investments and operations. USPS is allowed to borrow from the U.S. Department of Treasury through the

Postal Service Management Challenges



Federal Financing Bank, and while it pays a lower interest rate on borrowed funds than private sector companies do, the Postal Service reached its debt limit of \$15 billion at the end of FY 2024, and the debt limit has not been adjusted in over 30 years.

Several key aspects of the Postal Service's legal framework may also impact its ability to make and implement strategic business decisions. First, as a government entity, it is subject to oversight by multiple government entities. This oversight helps ensure transparent governance principles, informs public discussion and debate, influences strategic decision making, and identifies fraud, waste, and abuse. USPS is distinct, however, from private sector companies where such issues and discussions generally remain internal. Second, restrictions on the tenure of the Postal Service's Governors may affect decision-making, as well as the retention of institutional knowledge. Moving into 2026, there are five vacant non-management governor positions, to include one governor's holdover year that ends in December 2025. This will put the board at its six required members to achieve quorum, but the Chair's term ends in December 2026.

The Postal Service has stated that increasing operating costs and declining mail volumes — combined with the limitations imposed by the current legislative and regulatory environment — continue to put pressure on its ability to efficiently fulfill its public service mission and respond to market challenges. Consequently, the long-term viability of the current U.S. postal model warrants thoughtful examination and consideration.

Infrastructure Modernization

The Postal Service has a nationwide mail processing, retail, and delivery network, with over 31,000 facilities and 250,000 vehicles. Mail processing facilities vary in the type and amount of mail processed, facility square footage, and the number of processing machines used.

Through May 2025, USPS activated 13 RPDCs with an additional RPDC planned for activation in quarter 1, FY 2026. The goal of RPDCs is to merge mail processing into a central facility within a region to reduce transportation costs and improve service reliability. Each RPDC will be supported by one or more associated LPCs to sort packages, letters, and flats for mail carriers. In total, 58 LPCs have been planned to support the RPDC regions. The LPCs will also serve as transfer centers to aggregate products en route to delivery.

Further, the Postal Service continues to consolidate multiple delivery units into larger, centrally located S&DCs. Through

May 2025, the agency opened 101 S&DCs with plans to open approximately 400 S&DCs nationwide over the next several years. This shift allows deployment of package processing machines at the S&DCs and promotes standardized management of delivery operations. These initiatives are intended to help improve service and reduce costs by decreasing the number of times mail is handled and by decreasing required trips. These moves necessitate complex planning as well as machine removals, repurposing equipment, and additional machine installations.

In addition to changes in its facilities, USPS is in the process of launching a new delivery fleet. Its existing delivery fleet has surpassed its useful lifespan of 24 years, with an average Long-Life Vehicle age of 34 years. By 2028, the Postal Service plans to acquire over 106,000 new vehicles, with more than 60 percent being electric. Recent investments to modernize and realign the network create optimally efficient lengths for electric delivery routes, and \$3 billion in funding from the Inflation Reduction Act could enable the increased electrification of the delivery fleet over the next five years.

The Postal Service released its strategic plan underpinning the electric vehicle deployment in June 2023 and began rolling out charging infrastructure installation and upgrades to support the vehicle rollout over the next several years. However, implementation is proving to be complex and challenging. The agency experienced nationwide charging infrastructure construction delays — an average 219 days compared to its June 2023 baseline schedule. In addition, as of May 2025, the agency acquired 7,468 electric vehicles — 11 percent of the planned 66,230 by 2028. Continued focus on infrastructure modernization creates both opportunities and challenges as USPS works to balance operating within its fiscal constraints with ensuring stabilized service for the American public.

Workforce Challenges

The Postal Service stated in its DFA plan it wants to be an "employer of choice" that hires, develops, and retains the most capable and diverse employees. USPS had over 528,000 career employees and about 95,000 pre-career employees, from truck drivers to retail clerks, during FY 2025. The agency's success hinges on the effectiveness of its workforce.

To stabilize the workforce and improve operations, between FY 2021 through FY 2024, the Postal Service converted about 231,500 pre-career employees to career status, with the number of employees converted annually increasing since FY 2022. In addition, the agency created new relief supervisor positions to provide coverage for regular supervisors on leave

Postal Service Management Challenges



and to reduce its reliance on acting supervisors. Through our reviews, we have seen improvements in filling supervisor positions, to include supervisor vacancy rates falling steadily from 13.7 percent in FY 2021 to 4.4 percent in FY 2024. Additionally, in January 2025, USPS offered certain eligible full-time career employees a voluntary early retirement incentive to address overstaffing in select facilities, with nearly 10,500 employees accepting the offer.

However, significant challenges remain with filling vacancies in certain locations around the country, overall retention, and managing employee availability. These factors all contribute to employee engagement. We have assessed the impacts of poor employee engagement and found operational correlations; in facilities without proper management oversight, performance suffers. Additionally, insufficient staffing can increase the use of overtime and contribute to delayed mail. To better understand its challenges and opportunities around hiring and retention, the Postal Service introduced a pilot program aimed at improving new employee retention rates in FY 2021. The agency stopped monitoring retention data in the pilot program in 2023, but it recommitted to the program in FY 2025.

Additionally, employees are represented by various unions and management associations. Relationships between labor and management are complex. The various union contracts and local agreements can limit management's ability to make efficient, day-to-day operational decisions. The Postal Service ratified multiple labor contracts in FY 2025, which will extend into FY 2026.

It is critical for the agency to engage with its employees and unions during the network changes and take steps to address its longstanding recruitment and retention challenges. Communicating with employees and supervisors on expectations and changes in workflow — as well as ensuring a healthy, balanced, and mission-focused workforce culture — will be critical as the Postal Service continues its network modernization efforts while meeting its delivery obligations.

Changing Customer Demands and New Competition

The U.S. remains the world's largest market for mail and the Postal Service plays a key role in ensuring that the American public receives essential communications and products regardless of their location. Customers depend on USPS to receive important communications like bills, jury summons, ballots, and government registrations. However, the Postal Service must compete for customers every day in every

product line in a dynamic and changing environment. E-commerce is driving package delivery methods that provide time-certain delivery and lower prices to meet changing customer needs.

To understand this environment better and project the mail volume USPS could be facing from 2025 to 2035, we identified best- and worst-case scenarios ranging from a relatively modest 14 percent decline to a much larger 41 percent decline in combined First-Class Mail and Marketing Mail volumes, with a baseline scenario of a 29 percent decline in these two classes. To counter these projected declines and cater to an evolving marketplace, USPS is pivoting its network, product offerings, and marketing programs. For example, the agency launched its USPS Connect suite of solutions including Connect eCommerce in 2022, created solution selling processes, aligned product simplification with network modernization, and developed partnerships with shipping platforms to help grow volume with small and medium businesses operating in online marketplaces.

In July 2023, the Postal Service launched USPS Ground Advantage, a new shipping product that consolidated three previously offered ground services into one single ground shipping option. According to the Postal Service, this new shipping option provides a simple, reliable, and more affordable way to ship packages up to 70 pounds in two-to-five business days. USPS package volume increased significantly during the pandemic but declined by about 3 percent and then stagnated since the surge. However, in FY 2024, the Postal Service saw a significant shift towards ground-delivered parcels away from Priority Mail. Specifically, ground parcel volume was 8.7 percent higher than ground parcel volume during the pandemic's peak. Mail volume continues to decline as the mix and types of mail continue to evolve. Digital advertising, electronic bill pay, and email correspondence continue to negatively affect letter mail volume, resulting in a 55 and 50 percent decline of First-Class and Marketing Mail volume, respectively, since its peak in 2006, which aligns with the projections noted above.

As part of the approach outlined in the DFA plan to grow market share, strengthen the value of mail, and enhance its relevance in the marketplace, the Postal Service plans to refine its sales, commerce, and business solutions organizations and strategies. In 2024, to support its growth strategies, the Postal Service began to restructure its sales and marketing groups. To compete effectively, USPS must respond with timely innovations that address customer demands across different market segments, ready the network to support product innovations, and identify opportunities for growth within the changing mail/parcel mix.

Postal Service Management Challenges



IT Modernization and Cybersecurity

A modern, resilient, and secure information and operational technology infrastructure with sufficient capacity is critical to the success of the Postal Service. Customers and businesses demand timely, relevant, and accurate information and data as part of their digital experience. Additionally, the availability and modernization of mail processing and delivery systems is critical to ensure the Postal Service remains competitive. The technological infrastructure must have the ability to meet these demands as well as the flexibility to continually adjust to the ever-changing business and regulatory environment.

As part of its DFA plan, the Postal Service is investing roughly \$2 billion in technology upgrades. The plan states USPS will “utilize intelligent workload planning, real-time management visibility, sensor technology, and predictive modeling, among other tools to enhance operational performance.” For example, the Postal Service plans to leverage technology to provide world-class visibility and tracking of mail and packages as they move through the integrated network. Additionally, it is working to deploy a state-of-the-art platform for end-to-end visibility of its unified logistics operations and is looking at ways to utilize generative artificial intelligence to improve its processes to document, explain, and, in some cases, write code.

As these technology upgrades occur, it is critical for the Postal Service to address potential cybersecurity challenges proactively and provide continuous monitoring of its network. Further, as information technology, operational technology, and the cyber threat landscape evolves, security continues to be an ongoing challenge, especially for one of the world’s largest IT networks connecting over 1 million devices and 188 petabytes of storage.

Cyberattacks targeting critical infrastructure continue to increase in frequency and sophistication, so keeping networks and data safe from threats is an ever-evolving challenge. For example, in December 2022, cyber criminals targeted Postal Service employees by fraudulently spoofing a USPS website, where employees unwittingly provided their postal system access information. The criminals used the information to access the agency’s online employee portal and adjust direct deposit information for employees who had provided their login credentials. Further, in May 2025, the Postal Service was compromised through a vulnerability identified and exploited in a third-party software it used to manage its mobile devices. Specifically, attackers used

a software vulnerability to bypass authentication and execute code remotely. While the threat actor accessed the mobile device server, it did not move into the Postal Service environment or steal USPS data.

While the Postal Service has since implemented multifactor authentication to further protect employees and data, it is imperative for it to develop a strategy to mitigate other risks within its IT network and across its supply chain. This includes performing rigorous periodic and timely risk assessments of its IT and vendors, implementing strong internal security measures, prioritizing modernization of outdated legacy systems, and performing proactive monitoring to provide a reliable and secure network for its employees and customers.

Using the Mail to Facilitate Criminal Activity

The Postal Service processes billions of packages each year for both domestic and international customers. This vast postal distribution infrastructure can be abused by drug traffickers and other criminals to facilitate illegal distribution of narcotics and other illicit materials. At the same time, bad actors are also stealing valuable items shipped via mail, sometimes using USPS-accountable property like arrow keys and collection boxes to steal mail. Both the distribution of narcotics through the mail and theft of valuables from the mail can undermine trust in the Postal Service.

Confronting narcotics in the mail can be dangerous, and handling packages that contain them can pose a potential safety hazard for employees. Drug traffickers are also targeting postal employees to facilitate their drug trafficking operations. Additionally, facilitating the distribution of drugs can ultimately contribute to the ongoing opioid crisis in our country.

The Postal Inspection Service serves an important role in addressing mail theft and narcotics trafficking, as well as other criminal activity. Criminal investigations and data analytics to support those investigations continue to address the problem of theft and narcotics in the mail. However, concerns persist around mail theft prevention and detection efforts, and illicit materials being sent through the domestic postal network. As such, the Postal Inspection Service must ensure it aligns its limited resources with the most critical needs and mission priorities to combat the use of the mail for these criminal activities and protect the Postal Service and its employees, infrastructure, and customers.

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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: April 1, 2025 – September 30, 2025

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Field Operations	39	-	\$11,180,949	\$2,203,480	\$15,732,674
Finance, Pricing & Human Capital	10	-	\$1,361,054,935	\$70,269,071	-
Operations, Performance & Services	12	\$124,454,353	\$170,270,865	\$30,077,120	-
Retail, Marketing & Supply Management	7	\$749,996	\$37,058	-	\$54,698,242
Sub-Total	68	\$125,204,349	\$1,542,543,807	\$102,549,671	\$70,430,916
PRC	1	-	\$38,370	-	-
RISC	0	-	-	-	-
Total	69	\$125,204,349	\$1,542,582,177	\$102,549,671	\$70,430,916

For the period: October 1, 2024 – September 30, 2025

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Field Operations	60	-	\$11,180,949	\$2,203,480	\$15,732,674
Finance, Pricing & Human Capital	20	\$1,437,662	\$1,440,545,597	\$149,223,932	-
Operations, Performance & Services	20	\$124,454,353	\$211,973,777*	\$68,248,811	\$40,976
Retail, Marketing & Supply Management	13	\$134,749,996	\$793,857	\$756,799	\$64,674,119*
Sub-Total	113	\$260,642,011	\$1,664,494,180*	\$220,433,022	\$80,447,769*
PRC	2	-	\$38,370	-	-
RISC	7	-	-	-	-
Total	122	\$260,642,011	\$1,664,532,550*	\$220,433,022	\$80,447,769 *

*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: April 1, 2025 - September 30, 2025

	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Field Operations					
Field Operations Central and Southern					
Avondale Goodyear Main Post Office, Goodyear, AZ: Delivery Operations, 25-046-3-R25, 4/1/2025	1	-	-	-	\$332,619
Seasonal Performance and PRC					
Service Performance of Election and Political Mail During the 2024 General Election, 24-143-R25, 4/21/2025	1	-	-	-	\$15,400,055
Field Operations Atlantic and Westpac					
Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC, 25-079-R25, 6/17/2025	1	-	\$157,733	-	-
Mail Safety and Security					
Service Performance During the Fiscal Year 2025 Peak Mailing Season, 25-036-R25, 7/21/2025	1	-	\$8,819,736	-	-
U.S. Postal Inspection Service Strategy and Resources, 24-164-R25, 8/22/2025	1	-	\$2,203,480	\$2,203,480	-
Finance, Pricing & Human Capital					
Human Capital Management					
Efforts to Reduce Workhours in Mail Processing, 24-114-R25, 4/10/2025	1	-	\$63,589,816	-	-
Increasing Costs in Workers' Compensation at the Postal Service, 25-092-R25, 9/25/2025	1	-	\$1,214,796,048	-	-
Postal Service Management of Overtime Hours, 25-069-R25, 9/30/2025	1	-	\$70,269,071	\$70,269,071	-
Finance and Pricing					
In-Office Cost System Follow-up, 24-161-R25, 5/28/2025	1	-	\$12,400,000	-	-
Operations, Performance & Services					
Strategic Initiative & Performance					
Postal Automated Redirection System, 25-029-R25, 4/10/2025	1	\$124,454,353	\$112,700,737	-	-
Network Operations Team 1					
Delivering for America: First-Class Mail and Priority Mail Service Performance Update, 25-028-R25, 5/7/2025	1	-	\$17,681,645	-	-
Effectiveness of the New Regional Processing and Distribution Center in Boise, ID, 25-038-R25, 6/16/2025	1	-	\$1,650,799	-	-
Network Changes: Progress on Improvements at Atlanta, GA, Regional Processing and Distribution Center, 25-039-R25, 7/8/2025	1	-	\$16,196,231	\$8,225,268	-

Appendix A: Reports Issued to Postal Service Management



	Number Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Communication of Local Changes to Priority Mail Express Service, 25-056-R25, 8/18/2025	1	-	\$189,601	-	-
Network Operations Team 2					
Cardboard Mail Transport Equipment Recycling Program, 25-041-R25, 8/26/2025	1	-	\$21,851,852	\$21,851,852	-
Retail, Marketing & Supply Management					
Sales, Marketing & International					
Fleet Modernization: Facility Preparedness for Electric Vehicles at the South Atlanta Sorting and Delivery Center, 24-158-R25, 6/12/2025	1	\$749,996	-	-	-
Merchant Rate Card Management, 25-003-R25, 7/2/2025	1	-	-	-	\$3,520,299
Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025	1	-	-	-	\$45,994,799
Retail & Infrastructure					
Management of Commercial Mail Receiving Agencies, 24-146-R25, 6/24/2025	1	-	-	-	\$5,183,144
Fleet Modernization: E-Transit Vehicle Acquisition Update, 25-063-R25, 9/16/2025	1	-	\$37,058	-	-
Total	20	\$125,204,349	\$1,542,543,807	\$102,549,671	\$70,430,916

Report Listing

Complete listing of all OIG reports issued to Postal Service management.

For the period: April 1, 2025 - September 30, 2025

Field Operations

Field Operations Atlantic and Westpac

Boulder Hills Station, Phoenix, AZ: Delivery Operations, 25-046-1-R25, 4/1/2025

Efficiency of Operations at the West Valley Processing and Distribution Center, Phoenix, AZ, 25-044-R25, 4/1/2025

Mesa Four Peaks Station, Mesa, AZ: Delivery Operations, 25-046-2-R25, 4/1/2025

Arizona-New Mexico District: Delivery Operations, 25-046-R25, 6/11/2025

Airport Station, Charlotte, NC: Delivery Operations, 25-080-1-R25, 6/17/2025

Concord Main Post Office, Concord, NC: Delivery Operations, 25-080-2-R25, 6/17/2025

Concord Parkway Station, Concord, NC: Delivery Operations, 25-080-3-R25, 6/17/2025

Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC, 25-079-R25, 6/17/2025

St. Charles Main Post Office, St. Charles, MO: Delivery Operations, 25-100-3-R25, 8/11/2025

O'Fallon Main Post Office, O'Fallon, MO: Delivery Operations, 25-100-2-R25, 8/11/2025

Efficiency of Operations at the St. Louis Network Distribution Center, Hazelwood, MO, 25-098-R25, 8/11/2025

Creve Coeur Branch, St. Louis, MO: Delivery Operations, 25-100-1-R25, 8/11/2025

Clayton Branch, St. Louis, MO: Delivery Operations, 25-100-7-R25, 8/11/2025

North Carolina District: Delivery Operations, 25-080-R25, 9/4/2025

Field Operations Service Review: Processing and Logistics Operations, 25-067-R25, 9/11/2025

Appendix A: Reports Issued to Postal Service Management



Kansas-Missouri District: Delivery Operations – St. Louis, MO, 25-100-R25, 9/18/2025

Field Operations Central and Southern

Avondale Goodyear Main Post Office, Goodyear, AZ: Delivery Operations, 25-046-3-R25, 4/1/2025

Efficiency of Operations at the Phoenix Processing and Distribution Center, Phoenix, AZ, 25-045-R25, 4/1/2025

Scottsdale Airpark Station, Scottsdale, AZ: Delivery Operations, 25-046-4-R25, 4/1/2025

Sunnyslope Carrier Annex, Phoenix, AZ: Delivery Operations, 25-046-5-R25, 4/1/2025

Georgia District: Delivery Operations, 25-015-R25, 4/17/2025

Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY, 25-073-R25, 6/4/2025

Iroquois Station, Louisville, KY: Delivery Operations, 25-074-1-R25, 6/4/2025

Middletown Branch, Louisville, KY: Delivery Operations, 25-074-2-R25, 6/4/2025

Pleasure Ridge Park Branch, Louisville, KY: Delivery Operations, 25-074-3-R25, 6/4/2025

Kentucky-West Virginia District: Delivery Operations, 25-074-R25, 7/23/2025

Southwest Station, St. Louis, MO: Delivery Operations, 25-100-6-R25, 8/11/2025

Maryville Gardens Station, St. Louis, MO: Delivery Operations, 25-100-5-R25, 8/11/2025

Efficiency of Operations at the St. Louis Processing & Distribution Center, St. Louis, MO, 25-097-R25, 8/11/2025

Ballwin Main Post Office, Ballwin, MO: Delivery Operations, 25-100-4-R25, 8/11/2025

Field Operations Service Review: Delivery Operations, 25-066-R25, 8/28/2025

Fremont Administrative Post Office, Fremont, NE: Delivery Operations, 25-115-3-R25, 9/19/2025

Efficiency of Operations at the Omaha Processing & Distribution Center, Omaha, NE, 25-119-R25, 9/19/2025

Boystown Station, Omaha, NE: Delivery Operations, 25-115-2-R25, 9/19/2025

Benson Station, Omaha, NE: Delivery Operations, 25-115-1-R25, 9/19/2025

Seasonal Performance and PRC

Service Performance of Election and Political Mail During the 2024 General Election, 24-143-R25, 4/21/2025

Postal Regulatory Commission Compensation and Benefits, 25-033-R25, 6/25/2025

Service Performance During the Fiscal Year 2025 Peak Mailing Season, 25-036-R25, 7/21/2025

Finance, Pricing & Human Capital

Human Capital Management

Efforts to Reduce Workhours in Mail Processing, 24-114-R25, 4/10/2025

Postal Service's Workplace Violence Prevention Program, 25-062-R25, 9/15/2025

Increasing Costs in Workers' Compensation at the Postal Service, 25-092-R25, 9/25/2025

Postal Service Management of Overtime Hours, 25-069-R25, 9/30/2025

Finance and Pricing

The OIG's Oversight of the U.S. Postal Service's Delivering for America Plan, Volume 2, 25-034-R25, 4/29/2025

Fiscal Year 2025, Draft Form 10-Q Financial Report for the Quarterly Period Ended March 31, 2025, 25-083-R25, 5/5/2025

In-Office Cost System Follow-up, 24-161-R25, 5/28/2025

Fiscal Year 2025, Draft Form 10-Q Financial Report for the Quarterly Period Ended June 30, 2025, 25-120-R25, 8/4/2025

Financial Controls and Safeguarding Assets at Selected Units, 25-042-R25, 8/27/2025

Independent Report on Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office of Personnel Management, 25-078-R25, 9/2/2025

Operations, Performance & Services

Strategic Initiative & Performance

Postal Automated Redirection System, 25-029-R25, 4/10/2025

Communication of Local Changes to Priority Mail Express Service, 25-056-R25, 8/18/2025

Network Changes: Local Transportation Optimization in the New Orleans Region, 25-057-R25, 9/9/2025

Shipping and Handling of Day-Old Poultry, 25-031-R25, 9/23/2025

Mail Safety & Security

U.S. Postal Inspection Service Strategy and Resources, 24-164-R25, 8/22/2025

U.S. Postal Inspection Service's Expense Purchase Card Use, 25-085-R25, 9/29/2025

Network Operations Team 1

Delivering for America: First-Class Mail and Priority Mail Service Performance Update, 25-028-R25, 5/7/2025

Appendix A: Reports Issued to Postal Service Management



Effectiveness of the New Regional Processing and Distribution Center in Boise, ID, 25-038-R25, 6/16/2025

Network Changes: Progress on Improvements at Atlanta, GA, Regional Processing and Distribution Center, 25-039-R25, 7/8/2025

Network Operations Team 2

Assessment of Changes to Air Transportation Contracts, 25-022-R25, 6/23/2025

Mail Security at Denver Regional Transfer Hub, 25-061-1-R25, 7/15/2025

Cardboard Mail Transport Equipment Recycling Program, 25-041-R25, 8/26/2025

Network Processing: Regional Transfer Hubs, 25-061-R25, 9/24/2025

Technology Operations

Security of Electric Vehicle Charging Stations, 24-020-R25, 6/5/2025

Review of the Postal Regulatory Commission's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2025, 25-043, 9/26/2025

Retail, Marketing & Supply Management

Retail

Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center, 24-166-R25, 4/14/2025

Management of Commercial Mail Receiving Agencies, 24-146-R25, 6/24/2025

Sales Marketing & International

Fleet Modernization: Facility Preparedness for Electric Vehicles at the South Atlanta Sorting and Delivery Center, 24-158-R25, 6/12/2025

Merchant Rate Card Management, 25-003-R25, 7/2/2025

Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025

Retail & Infrastructure

Fleet Modernization: E-Transit Vehicle Acquisition Update, 25-063-R25, 9/16/2025

Serving America: Retail Unit Accessibility, 25-030-R25, 9/22/2025

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: April 1, 2025 - September 30, 2025

Office of Audit

Increasing Costs in Workers' Compensation at the Postal Service, 25-092-R25, 9/25/2025

Research and Insights Solution Center

Projecting Mail Volume: Future Trends and Implications for the Postal Service, RISC-WP-25-003, 6/3/25

Package Theft in the United States, RISC-WP-25-002, 5/16/25

Benchmarking Recruitment and Hiring Strategies for the Postal Service, RISC-WP-25-004, 7/25/25

Comparing Experiences in EV Fleet Acquisition and Deployment, RISC-WP-25-005, 8/25/25

The Evolution of the Post Office Network, RISC-WP-25-006, 9/26/25

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 conducted by the office that is closed during the reporting period and was not disclosed to the public. During the current reporting period, OIG had two reports that were closed but not disclosed to the public.

Office of Audit

Fiscal Year 2025, Draft Form 10-Q Financial Report for the Quarterly Period Ended March 31, 2025, 25-083-R25, 5/5/25

Fiscal Year 2025, Draft Form 10-Q Financial Report for the Quarterly Period Ended June 30, 2025, 25-120-R25, 8/4/25

Appendix A: Reports Issued to Postal Regulatory Commission



Summary

OIG audit teams conduct performance and financial audits, evaluations, and other reviews to address the business of the Postal Regulatory Commission.

For the period: April 1, 2025 - September 30, 2025

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Field Operations	1	-	\$38,370	-	-
Operations, Performance & Services	1	-	-	-	-
Sub-Total	0	-	\$38,370	-	-
Total	2	-	\$38,370	-	-

Reports with Quantifiable Potential Monetary Benefits

For the period: April 1, 2025 - September 30, 2025

	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Field Operations					
Seasonal Performance and Postal Regulatory Commission					
Postal Regulatory Commission Compensation and Benefits, 25-033-R25, 6/25/2025	1	-	\$38,370	-	-
Total	1	-	\$38,370	-	-

Report Listing

Complete listing of all OIG reports issued to Postal Regulatory Commission management.

For the period: April 1, 2025 - September 30, 2025

Field Operations

Seasonal Performance and PRC

Postal Regulatory Commission Compensation and Benefits, 25-033-R25, 6/25/2025

Operations, Performance, and Services

Technology Operations

Review of the Postal Regulatory Commission's Compliance with the Federal Information Security Modernization Act of 2014 for Fiscal Year 2025, 25-043, 9/26/2025

Appendix B: Findings of Questioned Costs



For the period: April 1, 2025 - September 30, 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		14	\$1,542,543,807	\$102,549,671
Reports for which a management decision was made during the reporting period (i+ii)		14	\$1,542,543,807	\$102,549,671
Reports for which a management decision was made during the reporting period	(i) Disallowed	4	\$1,233,237,546	—
Reports for which a management decision was made during the reporting period	(ii) Not Disallowed	11	\$309,306,261	\$102,549,671
Reports for which no management decision was made by the end of the reporting period		—	—	—
Total		43	\$1,542,543,807	\$102,549,671

Appendix C: Recommendations That Funds Be Put to Better Use



For the period: April 1, 2025 - September 30, 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	\$125,204,349
Reports for which a management decision was made during the reporting period (i+ii):	—	2	\$125,204,349
(i) Recommendations that were agreed to by management	—	—	—
(ii) Recommendations that were not agreed to by management	—	2	\$125,204,349
Reports for which no management decision was made by the end of the reporting period	—	—	—
Total	—	2	\$125,204,349

Appendix D: Other Impacts



For the period: April 1, 2025 - September 30, 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 Charlotte Regional Processing and Distribution Center, Gastonia, NC, 25-079-R25, 6/17/2025	2
Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY, 25-073-R25, 6/4/2025	1
Field Operations Service Review: Delivery Operations, 25-066-R25, 8/28/2025	3
Field Operations Service Review: Processing and Logistics Operations, 25-067-R25, 9/11/2025	1
Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center, 24-166-R25, 4/14/2025	1
Assets or Accountable Items at Risk Total	8
Data Integrity	
Arizona-New Mexico District: Delivery Operations, 25-046-R25, 6/11/2025	1
Assessment of Changes to Air Transportation Contracts, 25-022-R25, 6/23/2025	3
Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC, 25-079-R25, 6/17/2025	2
Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY, 25-073-R25, 6/4/2025	3
Efficiency of Operations at the Omaha Processing and Distribution Center, 25-119-R25, 9/19/2025	1
Efficiency of Operations at the Phoenix Processing and Distribution Center, Phoenix, AZ, 25-045-R25, 4/1/2025	2
Efficiency of Operations at the St. Louis Network Distribution Center, Hazelwood, MO, 25-098-R25, 8/11/2025	5
Efficiency of Operations at the St. Louis Processing and Distribution Center, St. Louis, MO, 25-097-R25, 8/11/2025	2
Efficiency of Operations at the West Valley Processing and Distribution Center, Phoenix, AZ, 25-044-R25, 4/1/2025	2
Field Operations Service Review: Delivery Operations, 25-066-R25, 8/28/2025	5
Field Operations Service Review: Processing and Logistics Operations, 25-067-R25, 9/11/2025	2
Fleet Modernization: E-Transit Vehicle Acquisition Update, 25-063-R25, 9/16/2025	1
Georgia District: Delivery Operations, 25-015-R25, 4/17/2025	2
Kansas-Missouri District: Delivery Operations - St. Louis, MO, 25-100-R25, 9/18/2025	1
Kentucky-West Virginia District: Delivery Operations, 25-074-R25, 7/23/2025	1
Management of Commercial Mail Receiving Agencies, 24-146-R25, 6/24/2025	3
North Carolina District: Delivery Operations, 25-080-R25, 9/4/2025	1
Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025	1
Serving America: Retail Unit Accessibility, 25-030-R25, 9/22/2025	3
Service Performance During the Fiscal Year 2025 Peak Mailing Season, 25-036-R25, 7/21/2025	2
Data Integrity Total	43
Goodwill Branding	
Arizona-New Mexico District: Delivery Operations, 25-046-R25, 6/11/2025	3
Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC, 25-079-R25, 6/17/2025	9

Appendix D: Other Impacts



Description and Reports	Number of Recommendations
Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY, 25-073-R25, 6/4/2025	4
Efficiency of Operations at the Omaha Processing and Distribution Center, 25-119-R25, 9/19/2025	7
Efficiency of Operations at the Phoenix Processing and Distribution Center, Phoenix, AZ, 25-045-R25, 4/1/2025	3
Efficiency of Operations at the St. Louis Network Distribution Center, Hazelwood, MO, 25-098-R25, 8/11/2025	3
Efficiency of Operations at the St. Louis Processing and Distribution Center, St. Louis, MO, 25-097-R25, 8/11/2025	8
Efficiency of Operations at the West Valley Processing and Distribution Center, Phoenix, AZ, 25-044-R25, 4/1/2025	3
Field Operations Service Review: Delivery Operations, 25-066-R25, 8/28/2025	2
Field Operations Service Review: Processing and Logistics Operations, 25-067-R25, 9/11/2025	1
Fleet Modernization: E-Transit Vehicle Acquisition Update, 25-063-R25, 9/16/2025	1
Georgia District: Delivery Operations, 25-015-R25, 4/17/2025	2
Kansas-Missouri District: Delivery Operations - St. Louis, MO, 25-100-R25, 9/18/2025	2
Kentucky-West Virginia District: Delivery Operations, 25-074-R25, 7/23/2025	2
Merchant Rate Card Management, 25-003-R25, 7/2/2025	1
North Carolina District: Delivery Operations, 25-080-R25, 9/4/2025	3
Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025	1
Serving America: Retail Unit Accessibility, 25-030-R25, 9/22/2025	1
Service Performance During the Fiscal Year 2025 Peak Mailing Season, 25-036-R25, 7/21/2025	3
Service Performance of Election and Political Mail During the 2024 General Election, 24-143-R25, 4/21/2025	7
U.S. Postal Inspection Service's Expense Purchase Card Use, 25-085-R25, 9/29/2025	3
Goodwill Branding Total	69
Improved Services	
Arizona-New Mexico District: Delivery Operations, 25-046-R25, 6/11/2025	4
Field Operations Service Review: Delivery Operations, 25-066-R25, 8/28/2025	1
Georgia District: Delivery Operations, 25-015-R25, 4/17/2025	3
Kansas-Missouri District: Delivery Operations - St. Louis, MO, 25-100-R25, 9/18/2025	2
Kentucky-West Virginia District: Delivery Operations, 25-074-R25, 7/23/2025	2
North Carolina District: Delivery Operations, 25-080-R25, 9/4/2025	3
Serving America: Retail Unit Accessibility, 25-030-R25, 9/22/2025	3
Service Performance During the Fiscal Year 2025 Peak Mailing Season, 25-036-R25, 7/21/2025	6
Improved Services Total	24
Potential Additional Revenue	
Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025	1
Service Performance of Election and Political Mail During the 2024 General Election, 24-143-R25, 4/21/2025	1
Potential Additional Revenue Total	2
Predicted Shortfall Total	
Fleet Modernization: E-Transit Vehicle Acquisition Update, 25-063-R25, 9/16/2025	1
Predicted Shortfall Total	1
Revenue at Risk	
North Carolina District: Delivery Operations, 25-080-R25, 9/4/2025	1
Merchant Rate Card Management, 25-003-R25, 7/2/2025	1
Serving America: Retail Unit Accessibility, 25-030-R25, 9/22/2025	2
Revenue at Risk Total	4

Appendix D: Other Impacts



Description and Reports	Number of Recommendations
Safety and Security	
Arizona-New Mexico District: Delivery Operations, 25-046-R25, 6/11/2025	1
Assessment of Changes to Air Transportation Contracts, 25-022-R25, 6/23/2025	2
Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC, 25-079-R25, 6/17/2025	2
Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY, 25-073-R25, 6/4/2025	4
Field Operations Service Review: Processing and Logistics Operations, 25-067-R25, 9/11/2025	1
Fleet Modernization: Facility Preparedness for Electric Vehicles at the South Atlanta Sorting and Delivery Center, 24-158-R25, 6/12/2025	1
Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center, 24-166-R25, 4/14/2025	1
Georgia District: Delivery Operations, 25-015-R25, 4/17/2025	2
Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025	1
Safety and Security Total	15
Total	166

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

- Field Operations Service Review: Processing and Logistics Operations, 25-067-R25, 9/11/2025
- Field Operations Service Review: Delivery Operations, 25-066-R25, 8/28/2025
- Management of Commercial Mail Receiving Agencies, 24-146-R25, 6/24/2025
- Merchant Rate Card Management, 25-003-R25, 7/2/2025
- Protecting Revenue for Returned Parcel Select Packages, 25-053-R25, 9/17/2025
- Service Performance During the Fiscal Year 2025 Peak Mailing Season, 25-036-R25, 7/21/2025
- Service Performance of Election and Political Mail During the 2024 General Election, 24-143-R25, 4/21/2025
- Serving America: Retail Unit Accessibility, 25-030-R25, 9/22/2025

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	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
21-243-R22	08/08/2022	Improving Service Performance and Mail Processing Efficiencies at Historically Low Performing Facilities	\$82,429,376	R-1	Evaluate efficiency at the 10 facilities to identify inefficiencies in the mail flow (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. September 2026
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. October 2025
22-187-R23	03/27/2023	Service Performance of Election Mail for the 2022 Mid-Term Elections	\$23,033,770	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. —
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 Annual Compliance Reports. February 2026
22-166-R23	06/29/2023	Flats Cost Coverage	—	R-1	Further 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. October 2025
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. March 2026
			—	R-2	Develop a comprehensive communication strategy for a new loyalty program that promotes awareness of functionality for prospective, and once enrolled, ongoing customers. March 2026
			—	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. November 2025
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. February 2026

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
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.
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.
23-038-R24	01/09/2024	Parcel Return Service - Consolidator Payment and Refund Errors	\$48,982,794	R-1	Strengthen the Parcel Return Service manifest verification process by incorporating the facility type as a required parameter.
			—	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.
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.
			—	R-3	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
			—	R-8	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-14	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
22-174-R24	02/13/2024	U.S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment	—	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. April 2026
			—	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. April 2026
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 – Special Circumstances. —
			—	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-9	Update Handbook PO-408 to include the definition of service area, and clearly define when Mail Processing Facility Reviews are required. October 2025
24-019-R24	05/16/2024	Impact of Management Operating Data System on U.S. Postal Service Costing	—	R-1	Reiterate policy and coordinate with Vice President, Engineering Systems to identify opportunities for automated controls to verify that employees are clocking into the correct operation number and supervisors are regularly monitoring timekeeping reports. October 2025
			—	R-3	Establish a process to assess and analyze Management Operating Data system review results. April 2026
			—	R-4	Update Handbook M-32, Management Operating Data System (MODS) policy and coordinate with Vice President, Engineering Systems, to update the <i>MODS Coordinator Guidebook</i> to identify current roles and responsibilities and clarify the frequency of Management Operation Data system reviews to ensure consistency. April 2026

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
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. October 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. October 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. October 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. December 2026
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. —
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. December 2026
23-170-R24	07/16/2024	Fleet Modernization - Charging Station Deployment Timelines	—	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. November 2025
24-016-R24	7/30/2024	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. March 2026

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		
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.	February 2026
			—	R-6	Establish automated processes to identify merchants that shortpay, and create and issue automated noncompliance notifications to merchants and label providers, when applicable.	February 2026
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.	February 2026
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.	October 2025
24-099-R24	08/30/2024	Mail Theft Mitigation and Response - San Francisco, CA	—	R-4	Establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes and green relay boxes.	September 2025
24-049-R24	09/05/2024	Planning and Deployment of the Matrix Regional Sorter	\$2,217,348	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.	January 2026
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.	January 2026
			—	R-5	Establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes.	November 2025
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.	October 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.	October 2025
24-040-R24	09/25/2024	Measuring Performance of Sorting and Delivery Centers	\$1,420,862	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.	October 2025
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.	—

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
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. November 2025
			—	R-3	Identify all cameras not functioning and develop a plan to restore them to operational status. May 2026
			—	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. May 2026
24-089-R25	11/05/2024	Security and Efficiency of the New Carrier Scanners and Electronic Locks	—	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. December 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. October 2025
24-153-R25	12/10/2024	Efficiency of Operations at the Boston Processing and Distribution Center, Boston, MA	—	R-6	Meet load and unload scan goals consistently at the Boston Processing and Distribution Center. January 2026
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. 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. December 2025
24-044-R25	12/19/2024	Postal Service Oversight of Parcel Select	—	R-2	Should 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. October 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. February 2026
			\$9,523,371	R-6	Should 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. November 2025
24-152-R25	01/27/2025	Network Changes - Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center	\$2,358,151	R-2	Develop and execute a comprehensive plan to improve the transportation performance at the Richmond Regional Processing and Distribution Center and monitor progress. —

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25-014-R25	02/12/2025	Efficiency of Operations at the Macon Local Processing Center, Macon, GA	—	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. January 2026
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. October 2025
			\$452,506	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. October 2025
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. February 2026
			—	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. October 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. 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. October 2025
			—	R-7	Establish internal controls to validate that facilities are remediating arrow key deficiencies identified by the Postal Inspection Service. January 2026
			—	R-8	Revise Postal Operation-631 Growth and Delivery Point Management Program policy to update current roles and responsibilities. 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. February 2026
			—	R-10	Address the box deficiencies identified at the Beechnut, Debora Sue Schatz, and T W House Stations. 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. January 2026

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
24-163-R25	03/20/2025	Mail Theft Mitigation and Response: Sacramento, CA	—	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.	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.	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.	February 2026
			—	R-8 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.	October 2025
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.	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.	June 2026
			—	R-4 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	January 2027
			—	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.	—

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24-093-R25	03/27/2025	Postal Vehicle Service Operations	—	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-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.
			\$65,328,390	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).
			—	R-7	Develop and make available the training to obtain a commercial driver's license to interested postal vehicle operators.
			\$10,936,174	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.
			—	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.
24-131-R25	03/31/2025	Pre-Career Retention Initiatives	\$1,437,662	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.
25-044-R25	04/01/2025	Efficiency of Operations at the West Valley Processing and Distribution Center, Phoenix, AZ	—	R-2	Evaluate and adjust transportation schedules to reduce late and canceled trips at the West Valley Processing and Distribution Center once network changes have been implemented.
25-045-R25	4/01/2025	Efficiency of Operations at the Phoenix Processing and Distribution Center, Phoenix, AZ	—	R-4	Develop and implement a plan to verify scanning at the Phoenix P&DC is consistently completed in accordance with policy.
24-114-R25	04/10/2025	Efforts to Reduce Workhours in Mail Processing	\$63,589,816	R-1	Evaluate practices contributing to the achievement of the mail processing workhour plan and determine the feasibility of implementing those practices nationwide.
			—	R-2	Evaluate employee staffing and scheduling at mail processing facilities with declining productivity and develop a plan to right-size the complement.
			—	R-3	Assess training needs of mail processing employees at facilities with declining productivity and address employee competency gaps.

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		
25-029-R25	04/10/2025	Postal Automated Redirection System	\$34,151,536	R-3	Identify, address, and monitor delivery unit supervisors and carriers not following Undeliverable Marketing Mail policy.	October 2025
			—	R-4	Determine the frequency in which supervisors perform and document reviews of carrier handling and disposal of Undeliverable Marketing Mail, and implement accordingly.	October 2025
			\$203,003,554	R-6	Identify, address, and monitor delivery units with elevated rates of No Record Mail to achieve the nationwide target.	January 2026
			—	R-7	Determine the frequency in which supervisors perform and document reviews on proper handling of Carrier Identified Forward mail and verification of Change of Address forms, and implement accordingly.	January 2026
			—	R-9	Revise Undeliverable-as-Addressed data shared to PostalPro in fiscal years 2023 and 2024 to ensure it is accurate and reliable.	October 2025
			—	R-10	Conduct annual reviews of cost and volume inputs for the PostalPro Undeliverable-as-Addressed data model to verify they are accurate and up-to-date.	December 2025
24-166-R25	04/14/2025	Fleet Modernization: Facility Preparedness for Electric Vehicles at the Terre Haute Sorting and Delivery Center	—	R-2	Develop data-driven mechanisms, such as tripwires, to help notify management of charger performance issues in a more automated, timely, and consistent manner.	November 2025
24-143-R25	04/21/2025	Service Performance of Election and Political Mail During the 2024 General Election	\$15,400,055	R-1	Charge First-Class Mail rates for Ballot Mail because service is comparable to or exceeds First-Class Mail service.	December 2025
			—	R-3	Finalize electronic Election and Political Mail reporting tools, written expectations for their use, and user guides in advance of the next federal election season.	April 2026
			—	R-4	Use carrier data to prohibit managers from completing the delivery all clear certification before carriers leave and arrive back from their delivery duties.	March 2026
			—	R-5	Work with District Managers to develop a plan to identify hub and spoke locations, including Regional Transportation Optimization sites, and communicate operational expectations in advance of the extraordinary measures period.	March 2026
			—	R-6	Consider additional incentives for using serialized Intelligent Mail barcodes and service type identifiers for mail service providers that mail ballots.	August 2025
			—	R-7	Create a method for scanning local turnaround ballots at delivery units.	
25-028-R25	05/07/2025	Delivering for America: First-Class Mail and Priority Mail Service Performance Update	—	R-2	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	October 2025

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-073-R25	06/04/2025	Efficiency of Operations at the Louisville Processing and Distribution Center, Louisville, KY	—	R-5	Develop and implement a plan to verify scanning at the Louisville Processing and Distribution Center is consistently completed in accordance with policy. January 2026
			—	R-9	Verify that fire extinguishers are not blocked and monthly fire extinguisher inspections are completed at the Louisville Processing and Distribution Center. October 2025
24-020-R25	06/05/2025	Security of Electric Vehicle Charging Stations	—	R-4	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. April 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. April 2026
			—	R-7	Provide suggested guidance to the district level to update their contingency operations plans to account for the inoperability of charging stations. December 2025
24-158-R25	06/12/2025	Fleet Modernization: Facility Preparedness for Electric Vehicles at the South Atlanta Sorting and Delivery Center	—	R-1	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. —
			—	R-2	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. —
			—	R-4	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. November 2025
			\$749,996	R-6	Incorporate future growth into its solicitations for the South Atlanta Sorting & Delivery Center parking lot construction. —
25-038-R25	06/16/2025	Effectiveness of the New Regional Processing and Distribution Center in Boise, ID	—	R-1	Review the planned savings projections for the Boise Regional Processing and Distribution Center, determine where efficiencies were not achieved, and adjust savings projections of future initiatives, as needed. May 2026
			—	R-2	Review mail processing operations to determine the cause of decreased efficiency and make adjustments as necessary. November 2025
25-079-R25	06/17/2025	Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC	—	R-3	Align staff with processing needs at the Charlotte Regional Processing and Distribution Center. October 2025
			—	R-6	Verify proper placarding procedures are followed at the Charlotte Regional Processing and Distribution Center. October 2025

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
24-146-R25	06/24/2025	Management of Commercial Mail Receiving Agencies	—	R-1	Develop an approach to estimate and track Commercial Mail Receiving Agency program-related costs. —
			\$5,183,144	R-2	Develop and implement an approach to generate revenue to offset all Commercial Mail Receiving Agency-related costs. —
			—	R-4	Develop strategies to better communicate policies and related updates to Postal Service field staff and Commercial Mail Receiving Agencies, including those for reviewing, vetting, and documenting applications and conducting mail samples and data quality reviews. —
			—	R-5	Develop and implement internal controls for ensuring effective local staff compliance and oversight with key program responsibilities, including reviewing, vetting, and documenting applications (using the current PS Form 1583-A version) and conducting mail samples and data quality reviews. —
25-003-R25	07/02/2025	Merchant Rate Card Management	—	R-1	Update their methodology to evaluate merchant data compliance to include analyzing the volume of packages without unique data for each platform. March 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. March 2026
			—	R-4	Identify and address Merchant Rate Card platforms' technical compliance issues to improve rate accuracy. March 2026
			—	R-5	Require quarterly business reviews to include data analytics to validate the platforms charge accurate postage and fees and resolve platform issues. —
			\$958,697	R-6	Coordinate with platforms to collect previously undetected short-payments resulting from postage discrepancies identifiable based on package information transmitted to the Postal Service. —
			\$2,561,602	R-7	Coordinate with platforms to refund previously undetected over-payments resulting from postage discrepancies identifiable based on package information transmitted to the Postal Service. —

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-039-R25	07/08/2025	Network Changes: Progress on Improvements at Atlanta, GA, Regional Processing and Distribution Center	—	R-1 Develop and execute a plan to ensure the timely processing of nonmachinable packages and maintain a first in, first out processing order.	—
			—	R-2 Assess mail volume and reevaluate operations in the Atlanta region to identify opportunities for more effective use of space, efficient processing and logistics operations, and cost optimization.	—
			—	R-5 Revise projected savings as staffing is balanced with additional facilities and operational needs in the region.	—
			—	R-6 Review daily scan data to identify problem areas and correct issues to achieve current scanning goals.	November 2025
25-061-1-R25	07/15/2025	Mail Security at Denver Regional Transfer Hub	—	R-1 Prioritize the insourcing of Denver Regional Transfer Hub operations.	August 2026
25-036-R25	07/21/2025	Service Performance During the Fiscal Year 2025 Peak Mailing Season	—	R-3 Direct and monitor division management decisions in the offload process during peak season to incorporate strategic factors, such as facility type, resources, and equipment capacity.	—
			—	R-4 Develop a process for clear communication of offloads between all levels of processing and logistics functions.	January 2026
			—	R-7 Assess and update peak season key performance indicators and initiatives.	November 2025
			—	R-8 Develop measures and targets to evaluate the customer experience during peak season.	
			—	R-9 Adjust the timelines for peak initiatives to incorporate post-peak season package volume on operations.	December 2025

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-097-R25	08/11/2025	Efficiency of Operations at the St. Louis Processing & Distribution Center, St. Louis, MO	—	R-1	Develop and implement a plan to hire and retain enough employees to consistently reach and maintain authorized complement at the St. Louis Processing and Distribution Center. October 2025
			—	R-2	Implement a plan to hold managers and supervisors accountable for addressing employees who do not follow workplace rules at the St. Louis Processing and Distribution Center. October 2025
			—	R-3	Analyze and realign processing operations at all four St. Louis processing facilities to improve efficiency. January 2026
			—	R-4	Verify mail condition issues are communicated through the Mail Arrival Quality/Plant Arrival Quality tool at the St. Louis Processing and Distribution Center. October 2025
			—	R-5	Develop a plan to verify employees attach accurate placards on mail transportation equipment and follow first in, first out order at the St. Louis Processing and Distribution Center. November 2025
			—	R-6	Develop a strategy to consistently conduct proper preventative maintenance on machines at the St. Louis Processing and Distribution Center. November 2025
			—	R-7	Develop a process to verify all delayed mail is reported in the Mail Condition Visualization system daily at the St. Louis Processing and Distribution Center. November 2025
			—	R-8	Fill Postal Service driver vacancies at the St. Louis Processing and Distribution Center. January 2026
			—	R-10	Develop a plan to verify supervisors are monitoring scanning to improve compliance with load and unload scan goals at the St. Louis Processing and Distribution Center. December 2025
			—	R-11	Develop and implement a plan to verify extra trips are properly recorded in the Surface Visibility Web system at the St. Louis Processing and Distribution Center. December 2025
			—	R-12	Verify correct chain of custody procedures are followed for registry items at the St. Louis Processing and Distribution Center. November 2025
25-098-R25	08/11/2025	Efficiency of Operations at the St. Louis Network Distribution Center, Hazelwood, MO	—	R-1	Provide training to employees on the proper way to end the run on the Parcel Sorting Machines and monitor for compliance at the St. Louis Network Distribution Center. October 2025

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Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		
25-098-R25	08/11/2025	Efficiency of Operations at the St. Louis Network Distribution Center, Hazelwood, MO	—	R-2	Create and implement a process to verify machines are properly cleared of mail at the end of each operational run at the St. Louis Network Distribution Center.	October 2025
			—	R-3	Verify delayed mail counts are completed and entered correctly into the Mail Condition Visualization system at the St. Louis Network Distribution Center.	November 2025
			—	R-4	Use the Mail Arrival Quality/Plant Arrival Quality system – Inter-Plant Quality report to communicate late arriving mail and resolve mail arrival issues with other processing facilities at the St. Louis Network Distribution Center.	November 2025
			—	R-5	Train mail clerks and processing supervisors on proper placarding, and provide oversight to verify these procedures are followed at the St. Louis Network Distribution Center.	October 2025
			—	R-6	Fill the vacant Postal Vehicle Service driver positions needed and hold employees accountable for attendance and performance issues at the St. Louis Network Distribution Center.	January 2026
			—	R-7	Provide training to employees on proper scanning procedures and verify supervisors are monitoring scanning to improve compliance with close, load, and unload scan goals at the St. Louis Network Distribution Center.	December 2025
			—	R-8	Resolve network connectivity at the St. Louis Network Distribution Center.	January 2026
25-056-R25	08/18/2025	Communication of Local Changes to Priority Mail Express Service	—	R-1	Implement policy and procedures that require coordination with all responsible parties to create and display notices in retail lobbies on any changes to service by the date the change becomes effective.	—
			—	R-2	Identify and implement the best method for updating retail signage that aligns with the Priority Mail Express service guarantee offered by individual post offices.	—
			—	R-4	Implement policy and procedures to post revisions to the Domestic Mail Manual on the Postal Explorer website in the next quarterly update after the change becomes effective.	—
			—	R-5	Develop policy and procedures to communicate mail product changes to retail personnel, ensuring they can accurately advise customers on those changes.	—
			—	R-6	Establish a requirement to clearly define the start and end date/time of any Priority Mail Express service guarantee suspension to be used by respective business units in communications, including Retail Service Talks, with retail personnel.	October 2025
			\$189,601	R-7	Establish standard operating procedures for requesting approval and implementing a Priority Mail Express service guarantee suspension expeditiously once impacts to nationwide operations are identified.	October 2025

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24-164-R25	08/22/2025	U.S. Postal Inspection Service Strategy and Resources	\$2,203,480	R-1	Discontinue supporting events that do not directly support the Postal Inspection Service's mission, reassess the allocation of personnel, and provide oversight of divisions' use of resources.
			—	R-2	Update the strategic plan to ensure that all strategic goals have measurable key performance indicators.
			—	R-3	Update instructions for developing performance measures and instruct preparers to revise key performance indicators, metrics, and division objectives to be specific, measurable, actionable, reasonable, and timely.
			—	R-4	Revise the high-security collection box and high-security electronic locks installation performance measures to include metrics within Postal Inspection Service's control.
			—	R-5	Establish internal controls to obtain periodic updates prior to the end of the quarter to ensure required quarterly and annual goals are met.
25-041-R25	08/26/2025	Cardboard Mail Transport Equipment Recycling Program	—	R-1	Develop an automated process to validate the accuracy of monthly recycling reports, invoices, and checks submitted by contractors, including a process to validate supporting documentation maintained by contractors.
			—	R-2	Provide oversight of cardboard mail transport equipment inventory to ensure processing facilities only maintain a seven-day supply, and document facilities with exceptions to the policy.
			—	R-3	Require processing facility management to annually certify proper cardboard mail transport equipment recycling and reuse business practices are in place and employees are aware of and following these practices.
			—	R-4	Enforce proper cardboard mail transport equipment recycling and reuse practices.
			—	R-5	1) Perform a cost benefit analysis for baling cardboard at all processing facilities, 2) provide balers for facilities identified to have a positive benefit, and 3) for the facilities that cannot accommodate a baler, document the approved deviations.
25-042-R25	08/27/2025	Financial Controls and Safeguarding Assets at Selected Units	—	R-1	Reiterate policies to ensure refunds and voids are warranted and unit management is reviewing the Postal Service Form 1412 and supporting documentation.
			—	R-2	Update to ensure the Retail Systems Software receipts used to support the amount of voided postage include the dollar amount of the postage that was voided.

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25-042-R25	08/27/2025	Financial Controls and Safeguarding Assets at Selected Units	—	R-3	Verify and ensure retail unit management is properly performing the monthly arrow key certification.	January 2026
			—	R-4	Reiterate to unit management the policies for providing adequate security for all accountable items.	January 2026
25-066-R25	08/28/2025	Field Operations Service Review: Delivery Operations	—	R-1	Automate Postal Service Form 1571, <i>Undelivered Mail Report</i> , for delayed mail reporting in the Delivery Condition Visualization system and require carriers to use the automated format at the end of the day to report undelivered mail.	—
			—	R-2	Develop a process to identify delivery units with a high risk of unreported or underreported delayed mail, and follow up with district management to enforce compliance.	—
			—	R-3	Develop and provide a standard work instruction that lists and links to the applicable reports and tools unit managers are required to use to monitor daily scanning compliance.	—
			—	R-4	Add instructions to the beginning of the certification screen in the Retail and Delivery Applications and Reports system notifying supervisors of the current procedures for conducting arrow key certifications and have the system automatically generate a report notifying the U.S. Postal Inspection Service of any missing keys.	—
			—	R-5	Develop and implement program controls within the Retail and Delivery Applications and Reports system to prevent managers from inputting inaccurate arrow key information.	March 2026
			—	R-6	Develop and implement a plan for district management to conduct targeted arrow key inventory reviews on a regular basis until new technological initiatives are fully implemented.	March 2026
25-057-R25	09/09/2025	Network Changes: Local Transportation Optimization in the New Orleans Region	—	R-1	Develop a formal contingency plan to mitigate service impacts during major, known disruptions in operations, such as Mardi Gras.	—
			—	R-2	Develop and implement, when needed, a localized retention and succession plan to ensure leadership and operational continuity.	—
			—	R-3	Take appropriate steps to bring all post offices into compliance with the Depart Post Office scan policy.	January 2026
			—	R-4	Review and update transportation schedules so they align with agreed-to schedules and are feasible to meet timely processing and delivery needs.	September 2025
25-067-R25	09/11/2025	Field Operations Service Review: Processing and Logistics Operations	—	R-1	Require annual training for personnel responsible for reporting mail conditions to improve mail condition reporting accuracy.	January 2026

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25-067-R25	09/11/2025	Field Operations Service Review: Processing and Logistics Operations	—	R-3	Update policies and manuals related to condition reporting to include newly established categories and mail conversion rates in the Mail Condition Visualization system and Handbook M-32.	April 2026
			—	R-4	Reinforce inventory controls to ensure scanners are signed out and returned.	January 2026
			—	R-5	Develop and implement periodic reviews of scanner inventory.	January 2026
			—	R-6	Require a documented transportation review that tracks the root cause and planned mitigation tactics for facilities not meeting their transportation goals.	—
			—	R-7	Reiterate processes to ensure accountability over staff and contractors responsible for safety policies regarding wheel chocks, strapping of loads, and securing and locking mail being transported in trailers and cargo vans.	November 2025
25-062-R25	09/15/2025	Postal Service's Workplace Violence Prevention Program	—	R-1	Require the Threat Assessment Team to assess threats identified in Assault Threat Specialty Reports as jacketed cases and document them in the Threat Assessment Case Tracking system.	—
			—	R-2	Reiterate guidance to the Threat Assessment Team lead on responsibilities for reporting incidents in the Threat Assessment Case Tracking system.	June 2026
			—	R-3	Clarify and reiterate guidance to facility managers on timely reporting incidents of workplace violence to their Threat Assessment Team.	June 2026
			—	R-4	Develop and implement a process to verify outcome memos are timely provided to applicable facility managers and maintained accordingly.	—
25-063-R25	09/16/2025	Fleet Modernization: E-Transit Vehicle Acquisition Update	—	R-1	Develop a short-term strategy for mitigating the impacts of storing E-Transits in holding lots that would include an analysis of related costs (in other words, acquisition, staffing, maintenance, transportation, and so forth) and assessment of other options such as divestment.	October 2025
			—	R-2	Correct inconsistencies in the Fleet Management Information System (FMIS) for E-Transits in holding lots and implement internal controls to periodically assess the accuracy of E-Transit vehicle data in FMIS.	October 2025
			—	R-3	Correct inconsistencies in preventative maintenance inspections and battery maintenance for E-Transits in holding lots and implement internal controls to periodically assess the consistency of these activities.	October 2025

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>		
25-063-R25	09/16/2025	Fleet Modernization: E-Transit Vehicle Acquisition Update	—	<i>R-4</i>	Correct deficiencies associated with E-Transit deployments and implement internal controls to periodically assess compliance with related deployment procedures.	October 2025
			\$37,058	<i>R-5</i>	Develop strategies and controls to ensure local holding lot staff are appropriately using applicable service contracts.	—
			—	<i>R-6</i>	Develop strategies to enhance communication of policies and procedures to E-Transit local holding lot staff, particularly related to the consistency of Fleet Management Information System data, preventative maintenance inspections, battery maintenance, and deployment.	October 2025
25-053-R25	09/17/2025	Protecting Revenue for Returned Parcel Select Packages	—	<i>R-1</i>	Develop a mechanism to identify all applicable charges when calculating postage due to incorporate into its automated calculations.	April 2026
			\$21,376,852	<i>R-2</i>	Incorporate large and oversized package charges into postage due calculations for return-to-sender packages.	April 2026
			\$24,617,947	<i>R-3</i>	Retroactively invoice return addressees for large package charges that should have been paid.	—
			—	<i>R-4</i>	Electronically link the payment of postage due to the specific packages for which the payments are based.	April 2026
			—	<i>R-5</i>	Further automate the postage due calculation and collection process for undeliverable packages, using weights and dimensions captured by mail processing equipment.	April 2026
			—	<i>R-6</i>	Assess which delivery units need additional equipment, including scales, and provide it to efficiently process return-to-sender packages.	—
			—	<i>R-9</i>	Institute and enforce a policy requiring clerks and managers to restrict access to return packages that exceed the facility’s interior capacity or develop other mitigation strategies.	—
25-100-R25	09/18/2025	Kansas-Missouri District: Delivery Operations – St. Louis, MO	—	<i>R-2</i>	Provide adequate staff to the O’Fallon Main Post Office, Ballwin Main Post Office, Maryville Gardens Station, Southwest Station, and Clayton Branch to process and deliver all committed mail daily.	February 2026
25-119-R25	09/19/2025	Efficiency of Operations at the Omaha Processing & Distribution Center, Omaha, NE	—	<i>R-1</i>	Complete an analysis and realignment of processing operations staff to improve efficiency and meet clearance time targets at the Omaha Processing and Distribution Center.	March 2026
			—	<i>R-2</i>	Implement a plan for supervisors to hold employees accountable for their performance, promote supervisor engagement with employees, and provide supervisor training to the remaining two supervisors at the Omaha Processing and Distribution Center.	February 2026

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-119-R25	09/19/2025	Efficiency of Operations at the Omaha Processing & Distribution Center, Omaha, NE	—	R-3	Develop and implement a plan to verify thorough preventative maintenance is performed on all mail processing equipment at the Omaha Processing and Distribution Center. March 2026
			—	R-4	Develop and implement a plan to verify employees attach accurate placards on mail transportation equipment at the Omaha Processing and Distribution Center. January 2026
			—	R-5	Use the Mail Arrival Quality/Plant Arrival Quality system at the Omaha Processing and Distribution Center to communicate and resolve mail arrival quality issues with delivery units and other processing facilities. February 2026
			—	R-6	Conduct a study to determine the feasibility of replacing or refurbishing the freight elevators at the Omaha Processing and Distribution Center for improved service. January 2026
			—	R-7	Verify that the Omaha Processing and Distribution Center has sufficient trailers to accommodate its mail transport needs. January 2026
			—	R-8	Coordinate with the Midwest Division Director, Processing, to develop and implement a plan to verify supervisors monitor and enforce scanning to improve compliance with the load and unload scanning goals at the Omaha Processing and Distribution Center. January 2026
25-030-R25	09/22/2025	Serving America: Retail Unit Accessibility	—	R-1	Develop procedures to ensure survey responses are properly completed and reviewed in a timely manner and that managers are held accountable for when units are closed without valid justification. —
			—	R-2	Develop an automated tool for notifying field staff in real-time when units open late or close early and sending justification requests to local staff. —
			—	R-3	Develop system capabilities for recording, analyzing, reporting, and retaining data on units that open late or close early. —
			—	R-4	Develop procedures to ensure justification responses are properly completed and reviewed in a timely manner and that managers are held accountable when units open late or close early. —
			—	R-5	Augment suspension-related policies to include strategies for periodically and regularly communicating suspension statuses to impacted customers. —
			—	R-6	Establish accountability mechanisms, such as timeliness targets, for resolving suspensions in a timely manner and for monitoring performance. —
			—	R-7	Develop mechanisms to require postmasters to properly update the status of suspended units to be displayed publicly on USPS.com. May 2026

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-031-R25	09/23/2025	Shipping and Handling of Day-Old Poultry	—	R-1	Create job positions where the primary responsibility is to oversee regional coordination of the shipping and handling of day-old poultry between internal and external stakeholders. January 2026
			—	R-2	Establish recurring meetings throughout peak shipping season of day-old poultry with the applicable internal and external stakeholders to discuss issues and implement immediate corrective action. March 2026
			—	R-3	Revise the Handling Lives Workbook to include procedures for accepting day-old poultry, including visual aids in accordance with mailing requirements in Publication 52. November 2025
			—	R-4	Communicate to staff each year the acceptance procedures for day-old poultry prior to the start of peak shipment season. April 2026
			—	R-5	Revise the Handling Lives Workbook and reissue annually, before each peak shipping. At a minimum, revisions to the workbook should include: performing a primary sort by transportation mode; proper bed loading; a limit for stacking packages; following first in, first out methods; and unloading day-old poultry timely from trailers. April 2026
			—	R-7	Revise Publication 52 to require the mailer to include a “deliver by” date, which is 72-hours after hatching, on all packages of day-old poultry. —
			—	R-8	Develop electronic methods to uniquely track shipments of day-old poultry, including shipments that have perished. —
			—	R-9	Develop a process specifically for the processing and handling of missent shipments of day-old poultry. April 2026
			—	R-10	Revise Publication 52 to define when day-old poultry should be disposed of as an injurious item. January 2026
			—	R-11	Develop and provide training to staff on the correct processes for the disposal of day-old poultry. —
25-061-R25	09/24/2025	Network Processing: Regional Transfer Hubs	—	R-1	Conduct a feasibility study of capturing cost savings resulting from the Regional Transfer Hub initiative and, based on the results, implement tracking of costs related to the initiative. —
			—	R-2	Implement controls to enforce all required scanning at Regional Transfer Hubs. November 2025
			—	R-3	Enforce corrective actions for contracted transportation with late departing transportation. January 2026

Appendix E: Reports with Recommendations Pending Corrective Actions



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-061-R25	09/24/2025	Network Processing: Regional Transfer Hubs	—	R-4	Establish quantifiable key performance indicators, including acceptable impacts to service and a trailer utilization target, specific to the Regional Transfer Hub initiative.
			—	R-5	Monitor performance of the Regional Transfer Hubs against established goals.
25-092-R25	09/25/2025	Increasing Costs in Workers' Compensation at the Postal Service	\$1,214,796,048	R-1	Develop a broad strategy to reduce costs associated with workplace injuries, including compiling data to support legislative options that could allow costs to better match industry norms.
25-085-R25	09/29/2025	U.S. Postal Inspection Service's Expense Purchase Card Use	—	R-1	Discontinue restricted purchases that are not aligned with policy unless the required preauthorization is received and documented.
			—	R-2	Establish procedures to track all non-cash and cash equivalent non-tangible items purchased with the expense purchase card and record applicable information in the eAwards system.
			—	R-3	Conduct periodic reviews of 1) expense purchase card transactions for compliance with policy and 2) non-cash and cash equivalent items to ensure they are entered into eAwards timely.
25-069-R25	09/30/2025	Postal Service Management of Overtime Hours	\$70,269,071	R-1	Create and implement a plan to automate the oversight and review process of missing 091 transactions and completion of Postal Service Form 1017-B before the pay week closes.

Total Number of Reports: **83**

Total Number of Recommendations: **254**

Total Monetary Impact: **\$1,907,208,861***

*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: April 1, 2025 - September 30, 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	Monetary Impact	Recommendation Summary <i>R = Recommendation Number TID = Target Implementation Date</i>
23-027-R23	07/27/2023	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. September 2025
			—	R-3 Update the travel policy to reflect the needs of the Postal Regulatory Commission and align with agency priorities. 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. September 2025
23-096-R23	09/22/2023	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. 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. 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. September 2025
			—	R-4 Create a policy outlining comprehensive requirements to close contracts, including a checklist of closeout documentation. September 2025
24-097-R24	09/27/2024	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. 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. June 2026
			—	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. March 2026

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



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
24-097-R24	09/27/2024	Review of the Postal Regulatory Commission's Compliance With the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024	—	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.	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.	August 2026
			—	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.	March 2026
			—	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.	September 2025
			—	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.	March 2026
			—	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.	March 2026
25-033-R25	06/25/2025	Postal Regulatory Commission Compensation and Benefits	—	R-1 Restructure and reduce the number of remote work agreements to comply with its established remote telework cap policy.	—
			—	R-2 Consistently apply locality pay for remote Postal Regulatory Commission employees or remove the locality pay component from the telework policy.	May 2026
			—	R-3 Incorporate hiring incentive language into an incentive policy and align the continuous service agreement template.	May 2026
25-043-R25	09/26/2025	Review of the Postal Regulatory Commission's Compliance With the Federal Information Security Modernization Act of 2014 for Fiscal Year 2025	—	R-1 Design and implement Cyber Governance 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 and OMB Circular A-130.	September 2026

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



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i> <i>TID = Target Implementation Date</i>	
25-043-R25	09/26/2025	Review of the Postal Regulatory Commission's Compliance With the Federal Information Security Modernization Act of 2014 for Fiscal Year 2025	—	R-2	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 and standard industry practices from the National Institute of Standards and Technology Special Publications 800-39 and 800-18. This includes developing and implementing a system security plan for the Postal Regulatory Commission's general support system. September 2026

Total Number of Reports: **5**

Total Number of Recommendations: **21**

Total Monetary Impact: **\$0**

Appendix F: Management Decisions in Audit Resolution



For the period: April 1, 2025 - September 30, 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	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i>
22-187-R23	03/27/2023	Service Performance of Election Mail for the 2022 Mid-Term Elections	\$23,033,770	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.
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.
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 – Special Circumstances.
			—	R-7 Update and enforce freight auction guidance and include at minimum a process to verify driver history.
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.
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.
24-051-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.
24-152-R25	01/27/2025	Network Changes – Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center	\$2,358,151	R-2 Develop and execute a comprehensive plan to improve the transportation performance at the Richmond Regional Processing and Distribution Center and monitor progress.

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i>
24-133-R25	03/21/2025	Technology, Infrastructure, and Site Security Review	—	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.
24-093-R25	03/27/2025	Postal Vehicle Service Operations	—	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.
			\$65,328,390	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).
			—	R-7 Develop and make available the training to obtain a commercial driver's license to interested postal vehicle operators.
			\$10,936,174	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.
			—	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.
24-143-R25	04/21/2025	Service Performance of Election and Political Mail During the 2024 General Election	—	R-7 Create a method for scanning local turnaround ballots at delivery units.
24-158-R25	06/12/2025	Fleet Modernization: Facility Preparedness for Electric Vehicles at the South Atlanta Sorting and Delivery Center	—	R-1 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
			—	R-2 Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.
			\$749,996	R-6 Incorporate future growth into its solicitations for the South Atlanta Sorting and Delivery Center parking lot construction.
24-146-R25	06/24/2025	Management of Commercial Mail Receiving Agencies	—	R-1 Develop an approach to estimate and track Commercial Mail Receiving Agency program-related costs.
			\$5,183,144	R-2 Develop and implement an approach to generate revenue to offset all Commercial Mail Receiving Agency-related costs.
			—	R-4 Develop strategies to better communicate policies and related updates to Postal Service field staff and Commercial Mail Receiving Agencies, including those for reviewing, vetting, and documenting applications and conducting mail samples and data quality reviews.
			—	R-5 Develop and implement internal controls for ensuring effective local staff compliance and oversight with key program responsibilities, including reviewing, vetting, and documenting applications (using the current PS Form 1583-A version) and conducting mail samples and data quality reviews.

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Monetary Impact		Recommendation Summary <i>R = Recommendation Number</i>
25-033-R25	06/25/2025	Postal Regulatory Commission Compensation and Benefits	—	R-1	Restructure and reduce the number of remote work agreements to comply with its established remote telework cap policy.
25-003-R25	07/02/2025	Merchant Rate Card Management	—	R-5	Require quarterly business reviews to include data analytics to validate the platforms charge accurate postage and fees and resolve platform issues.
			\$958,697	R-6	Coordinate with platforms to collect previously undetected short-payments resulting from postage discrepancies identifiable based on package information transmitted to the Postal Service.
			\$2,561,602	R-7	Coordinate with platforms to refund previously undetected over-payments resulting from postage discrepancies identifiable based on package information transmitted to the Postal Service.
25-039-R25	07/08/2025	Network Changes: Progress on improvements at Atlanta, GA, Regional Processing and Distribution Center	—	R-1	Develop and execute a plan to ensure the timely processing of nonmachinable packages and maintain a first in, first out processing order.
			—	R-2	Assess mail volume and reevaluate operations in the Atlanta region to identify opportunities for more effective use of space, efficient processing and logistics operations, and cost optimization.
			—	R-5	Revise projected savings as staffing is balanced with additional facilities and operational needs in the region.
25-036-R25	07/21/2025	Service Performance During the Fiscal Year 2025 Peak Mailing Season	—	R-3	Direct and monitor division management decisions in the offload process during peak season to incorporate strategic factors, such as facility type, resources, and equipment capacity.
			—	R-8	Develop measures and targets to evaluate the customer experience during peak season.
25-056-R25	08/18/2025	Communication of Local Changes to Priority Mail Express Service	—	R-1	Implement policy and procedures that require coordination with all responsible parties to create and display notices in retail lobbies on any changes to service by the date the change becomes effective.
			—	R-2	Identify and implement the best method for updating retail signage that aligns with the Priority Mail Express service guarantee offered by individual post offices.
			—	R-4	Implement policy and procedures to post revisions to the Domestic Mail Manual on the Postal Explorer website in the next quarterly update after the change becomes effective.
			—	R-5	Develop policy and procedures to communicate mail product changes to retail personnel, ensuring they can accurately advise customers on those changes.

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i>
24-164-R25	08/22/2025	U.S. Postal Inspection Service Strategy and Resources	\$2,203,480	R-1 Discontinue supporting events that do not directly support the Postal Inspection Service's mission, reassess the allocation of personnel, and provide oversight of divisions' use of resources.
			—	R-3 Update instructions for developing performance measures and instruct preparers to revise key performance indicators, metrics, and division objectives to be specific, measurable, actionable, reasonable, and timely.
			—	R-4 Revise the high-security collection box and high-security electronic locks installation performance measures to include metrics within Postal Inspection Service's control.
			—	R-5 Establish internal controls to obtain periodic updates prior to the end of the quarter to ensure required quarterly and annual goals are met.
25-041-R25	08/26/2025	Cardboard Mail Transport Equipment Recycling Program	—	R-5 1) Perform a cost benefit analysis for baling cardboard at all processing facilities, 2) provide balers for facilities identified to have a positive benefit, and 3) for the facilities that cannot accommodate a baler, document the approved deviations.
25-066-R25	08/28/2025	Field Operations Service Review: Delivery Operations	—	R-1 Automate Postal Service Form 1571, <i>Undelivered Mail Report</i> , for delayed mail reporting in the Delivery Condition Visualization system and require carriers to use the automated format at the end of the day to report undelivered mail.
			—	R-2 Develop a process to identify delivery units with a high risk of unreported or underreported delayed mail, and follow up with district management to enforce compliance.
			—	R-3 Develop and provide a standard work instruction that lists and links to the applicable reports and tools unit managers are required to use to monitor daily scanning compliance.
			—	R-4 Add instructions to the beginning of the certification screen in the Retail and Delivery Applications and Reports system notifying supervisors of the current procedures for conducting arrow key certifications and have the system automatically generate a report notifying the U.S. Postal Inspection Service of any missing keys.
25-057-R25	09/09/2025	Network Changes: Local Transportation Optimization in the New Orleans Region	—	R-1 Develop a formal contingency plan to mitigate service impacts during major, known disruptions in operations, such as Mardi Gras.
			—	R-2 Develop and implement, when needed, a localized retention and succession plan to ensure leadership and operational continuity.
25-067-R25	09/11/2025	Field Operations Service Review: Processing and Logistics Operations	—	R-6 Require a documented transportation review that tracks the root cause and planned mitigation tactics for facilities not meeting their transportation goals.
25-062-R25	09/15/2025	Postal Service's Workplace Violence Prevention Program	—	R-1 Require the Threat Assessment Team to assess threats identified in Assault Threat Specialty Reports as jacketed cases and document them in the Threat Assessment Case Tracking system.
			—	R-4 Develop and implement a process to verify outcome memos are timely provided to applicable facility managers and maintained accordingly.
25-063-R25	09/16/2025	Fleet Modernization: E-Transit Vehicle Acquisition Update	\$37,058	R-5 Develop strategies and controls to ensure local holding lot staff are appropriately using applicable service contracts.

Appendix F: Management Decisions in Audit Resolution



Report Number	Issue Date	Report Title	Monetary Impact	Recommendation Summary <i>R = Recommendation Number</i>
25-053-R25	09/17/2025	Protecting Revenue for Returned Parcel Select Packages	\$24,617,947	R-3 Retroactively invoice return addressees for large package charges that should have been paid.
			—	R-6 Assess which delivery units need additional equipment, including scales, and provide it to efficiently process return-to-sender packages.
			—	R-9 Institute and enforce a policy requiring clerks and managers to restrict access to return packages that exceed the facility's interior capacity or develop other mitigation strategies.
25-030-R25	09/22/2025	Serving America: Retail Unit Accessibility	—	R-1 Develop procedures to ensure survey responses are properly completed and reviewed in a timely manner and that managers are held accountable for when units are closed without valid justification.
			—	R-2 Develop an automated tool for notifying field staff in real-time when units open late or close early and sending justification requests to local staff.
			—	R-3 Develop system capabilities for recording, analyzing, reporting, and retaining data on units that open late or close early.
			—	R-4 Develop procedures to ensure justification responses are properly completed and reviewed in a timely manner and that managers are held accountable when units open late or close early.
			—	R-5 Augment suspension-related policies to include strategies for periodically and regularly communicating suspension statuses to impacted customers.
			—	R-6 Establish accountability mechanisms, such as timeliness targets, for resolving suspensions in a timely manner and for monitoring performance.
25-031-R25	09/23/2025	Shipping and Handling of Day-Old Poultry	—	R-7 Revise Publication 52 to require the mailer to include a "deliver by" date, which is 72-hours after hatching, on all packages of day-old poultry.
			—	R-8 Develop electronic methods to uniquely track shipments of day-old poultry, including shipments that have perished.
			—	R-11 Develop and provide training to staff on the correct processes for the disposal of day-old poultry.
25-061-R25	09/24/2025	Network Processing: Regional Transfer Hubs	—	R-1 Conduct a feasibility study of capturing cost savings resulting from the Regional Transfer Hub initiative and, based on the results, implement tracking of costs related to the initiative.
			—	R-4 Establish quantifiable key performance indicators, including acceptable impacts to service and a trailer utilization target, specific to the Regional Transfer Hub initiative.
			—	R-5 Monitor performance of the Regional Transfer Hubs against established goals.

Total Number of Reports: **29**

Total Number of Recommendations: **73**

Total Monetary Impact: **\$137,968,409**

Appendix G: Status of Peer Review Recommendations



For the period: April 1, 2025 - September 30, 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 Office of Inspector General peer 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 was by the U.S Department of Justice OIG for the period ending March 31, 2024, with a report date of September 9, 2024. 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 on USPS OIG

None during the reporting period.

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 preconfigured 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: April 1 - September 30, 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	To Mgmt. for Admin Action (Current FY) Only	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	4	1	1	1	1	\$0	\$0	\$0	0	0	0	0	0	0	0	1
Contract Fraud	26	16	13	11	39	\$17,015,260	\$6,926,735	\$3,517,687	2	0	12	1	12	1	4	1
Financial Fraud	138	45	47	45	91	\$150,000	\$6,372,600	\$1,674,554	81	1	39	14	29	103	1	15
General Crimes	146	49	40	51	80	\$0	\$2,775,997	\$97,675	70	1	6	7	23	90	0	270
Healthcare Claimant Fraud	103	9	8	2	9	\$38,085,810	\$1,360,729	\$1,107,434	9	0	11	1	7	23	0	1
Healthcare Provider Fraud	16	20	11	10	17	\$218,185,429	\$144,958,473	\$71,365,890	0	0	12	1	11	2	2	0
Mail Theft	778	306	322	261	411	\$0	\$17,877,458	\$252,551	338	1	196	88	143	444	0	219
Narcotics	133	51	100	95	33	\$0	\$4,373,269	\$32,831	34	0	22	12	61	55	0	13
Office of Professional Responsibility	3	1	2	0	3	\$0	\$0	\$0	3	0	1	0	2	5	0	69
Total	1347	498	544	476	684	\$273,436,499	\$184,645,261	\$78,048,622	537	3	299	124	288	723	7	589

Appendix H: Investigative Statistics



For the period: October 1, 2024 - September 30, 2025

Program	Investigations Closed	Arrests	Indictments / Informations / Complaints	Convictions - Criminal	Admin Action Taken	Cost Avoidance	Fines, Restitution, and Recoveries	Amount to Postal Service, *PRC	To Mgmt. for Admin Action	To Mgmt. for Admin Action (FY)	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	9	3	2	1	3	\$0	\$0	\$0	1	0	0	2	0	3	0	2
Contract Fraud	67	23	22	16	39	\$37,589,710	\$23,040,799	\$7,882,551	6	0	19	1	20	3	6	1
Financial Fraud	249	73	84	75	159	\$1,909,978	\$15,311,085	\$6,623,436	157	1	76	29	52	185	1	25
General Crimes	284	76	68	68	152	\$0	\$14,879,298	\$111,872	161	1	16	19	45	181	0	579
Healthcare Claimant Fraud	190	14	14	12	13	\$71,347,470	\$2,304,654	\$1,701,435	14	0	36	5	13	44	0	11
Healthcare Provider Fraud	40	23	19	25	23	\$231,997,505	\$175,984,151	\$74,649,136	0	0	24	1	18	6	5	0
Mail Theft	1649	560	587	509	895	\$0	\$23,784,683	\$445,328	798	1	516	155	297	969	0	471
Narcotics	277	89	139	174	89	\$0	\$5,126,770	\$73,553	68	0	42	31	89	107	0	36
Office of Professional Responsibility	21	1	2	0	14	\$0	\$0	\$0	8	0	1	0	2	11	0	122
Total	2786	862	937	880	1387	\$342,844,663	\$260,431,440	\$91,487,311	1213	3	730	243	536	1509	12	1247

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



For the period of April 1 - September 30, 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	3	3	—	3
Identity Theft - Other	—	—	—	—
Investment Fraud	—	—	—	—
Invoice Schemes	—	—	—	—
Lottery	1	2	—	2
Medical Fraud - Other	—	—	—	—
Other	2	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	\$242,579,475
VP Chief Inspector	Total Nonpersonnel Expense	\$78,737,942
VP Chief Inspector	Total Operating Expense	\$321,317,416
VP Chief Inspector	Total Capital Commitments	\$7,506,406

Appendix J: Congressional/PMG/Board of Governors Inquiries



For the period: April 1 - September 30, 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 have been identified, the OIG may conduct independent audits or investigations to help ensure the economy, efficiency, and integrity of Postal Service programs and operations.

From April 1 through September 30, 2025, the OIG received 56 new inquiries. Out of the 56 inquiries, we formally referred one to the U.S. Postal Inspection Service. We closed 42 inquiries during this reporting period. Out of those, 36 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, the OIG participated in three congressional hearings.

On April 30, 2025, Inspector General Tammy L. Hull testified before the Subcommittee on Financial Services and General Government of the U.S. House of Representatives Committee on Appropriations. The hearing, entitled *Oversight of the United States Postal Service*, focused on the Postal Service's financial stability, operational efficiency, and leadership accountability. Inspector General Hull's written statement can be found in its entirety [here](#) and the hearing can be viewed [here](#).

On May 6, 2025, Inspector General Hull also testified before the Subcommittee on Workforce Protections of the U.S. House of Representatives Committee on Education and Workforce. The hearing, entitled *FECA Reform and Oversight: Prioritizing Workers, Protecting Taxpayer Dollars*, also included testimony from Scott Szymendera, Congressional Research Service, U.S. Library of Congress; Luiz Santos, Acting Inspector General, U.S. Department of Labor; and Brian Renfro, National President, National Association of Letter Carriers. Inspector General Hull's written statement can be found in its entirety [here](#) and the hearing can be viewed [here](#).

On July 23, 2025, Deputy Inspector General Julius Rothstein testified before the Subcommittee on Government Operations of the U.S. House of Representatives Committee on Oversight and Government Reform. The hearing, entitled *An Update on Mail Theft and Crime*, also included testimony from Brendan Donahue, Inspector in Charge, United States Postal Inspection Service; Brian Renfro, President, National Association of Letter Carriers; Frank Albergo, President, Postal Police Officers Association; and Anthony Holloway, Chief of Police, St. Petersburg, Florida Police Department. Deputy Inspector General Rothstein'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.uspsig.gov>.

Appendix K: Attempt to Interfere with OIG Independence

For the period April 1 - September 30, 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: April 1 - September 30, 2025

Requests	Number of Requests
Carryover from prior period	14
Received during period	420
Total on hand during period	434
Actions	Number of Requests
Processed during the period	424
Requests denied in full	10
Requests granted in full	18
Requests denied in part	87
Duplicate request	1
Fee-related reasons	0
No records	99
Not an agency record	126
Not a proper FOIA request for some other reason	0
Requests referred	63
Requests withdrawn	19
Records not reasonably described	1
Balance	Number of Requests
Balance at the end of the period (pending)	10
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: April 1 - September 30, 2025

Total complaints reviewed and closed: 141

Whistleblower Reprisal Investigations

For the period: April 1 - September 30, 2025

Whistleblower Reprisal Activity	
Allegations received	276
OIG investigations initiated	1
Investigations closed with no action	1
Allegations closed with no action	273
OIG found reprisal	0

For the period: October 1, 2024 - September 30, 2025

Whistleblower Reprisal Activity	
Allegations received	365
OIG investigations initiated	2
Investigations closed with no action	1
Allegations closed with no action	367
OIG found reprisal	0

Supplemental Information



Summary of Performance

For the period of: April 1 - September 30, 2025

Audits	
Reports issued (excluding RISC white papers)	70
Recommendations issued	265
Total reports with financial impact	20
Funds put to better use	\$125,204,349
Questioned costs	\$1,542,582,177
Revenue impact	\$70,430,916
Total	\$1,738,217,442

RISC White Papers	
White papers issued	6
Recommendations issued	0

Investigations ⁴	
Investigations completed	1,348
Arrests	498
Indictments/informations	544
Convictions/pretrial diversions ⁵	476
Administrative actions	684
Cost avoidance	\$273,436,499
Fines, restitution, and recoveries	\$184,645,261
Amount to the Postal Service ⁶	\$78,048,622

OIG Hotline Contacts	
Telephone calls	14,531
Email	21,859
Webforms	14,938
Standard mail	874
Voicemail messages	776
Facsimile - FAX	345
Total Contacts	53,323

The following are among the trademarks owned by the United States Postal Service: ACS™, APC®, Automated Postal Center®, Carrier Pickup™, CASS™, CASS Certified™, Certified Mail™, Click-N-Ship®, Confirm®, Customized MarketMail®, Delivery Confirmation™, DMM®, EPM®, Express Mail®, FAST®, FASTforward®, First-Class™, First-Class Mail®, Full-Service ACS™, IM™, IMb™, Intelligent Mail®, LACSLink™, MASS™, MERLIN®, Mover's Guide®, NCOALink®, Netpost®, Netpost Mailing Online™, OneCode ACS®, OneCode Confirm®, OneCode Solution™, OneCode Vision®, Parcel Post®, Parcel Select®, PC Postage®, PLANET®, PLANET Code®, Post Office™, PostalOne!®, Postal Service™, POSTNET™, Priority Mail®, Quick, Easy, Convenient™, RDI™, ReadyPost®, REDRESS®, Registered Mail™, RIBBS®, Signature Confirmation™, Simple Formulas®, Stamps by Mail®, Standard Mail®, The Postal Store®, United States Postal Service®, U.S. Mail™, U.S. Postal Service®, USPS®, USPS Electronic Postmark®, USPS.COM®, www.usps.com®, ZIP+4®, and ZIP Code™. This is not a comprehensive list of all Postal Service trademarks. For more information visit [TRADEMARKS \(www.usps.com\)](https://www.usps.com/trademarks).

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	36-60
5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	67
5(a)(5)	Summary reports made to the head of the establishment under section 6(b)(2) of instances where information was refused	N/A
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
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	4, 24-32, 72
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	61-65
5(a)(12)	Information concerning any significant management decisions with which the Inspector General disagreed	61-65
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	66
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	N/A
5(a)(16)	List of any outstanding recommendations made from any previous peer review that remain outstanding or have not been fully implemented	N/A
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	67
5(a)(18)	Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)	67
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	16
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	17
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	70
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	24



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



<https://www.uspsoig.gov/hotline>

Contact: (888) 877-7644



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/>

Contact: (877) 876-2455

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



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