![Office of Inspector General, United States Postal Service logo](logo)

SEMIANNUAL
REPORT *to* CONGRESS

FALL 2023 | APRIL 1 – SEPTEMBER 30, 2023

A Message *from the* Inspector General

I have always been proud of how much my organization can accomplish every year. In addition to a laser focus on the quality of our work, another key to success is ensuring we clearly communicate our findings to both Congress and stakeholders. With that in mind, over the past couple of years, we have focused on how best to share our work to make it as understandable and accessible as possible.

To this end, this past year we introduced a new, easy-to-navigate website designed to showcase our work. We continue to devote pages to both service performance and election mail and have added several ways users can look at our field operation reviews. We have added an Investigative Case Highlights page, where twice a month we feature recently closed investigations. Over the past year, we introduced a new web product called "Focus On..." that tells a story highlighting our most significant work related to a specific topic.

We have heard such great feedback about these changes that we thought we would try something new in this Semiannual Report to Congress to better tell the story of our findings. Instead of talking about our reports and investigations individually, we have grouped our most significant work over the past six months under five themes: the Delivering for America plan, service performance, labor issues, mail theft, and narcotics. We know these five topics are of great interest to Congress, postal customers, and the postal industry.

While the way we lay out our work has changed, we will continue to provide the summary statistics of our work. During the six-month period ending September 30, 2023, we issued 87 audit reports, management advisories, and white papers, and the Postal Service and Postal Regulatory Commission collectively accepted 91 percent of our recommendations. We completed 1,731 investigations that led to 309 arrests and more than $384 million in fines, restitutions, and recoveries, of which more than $94 million was returned to the Postal Service.

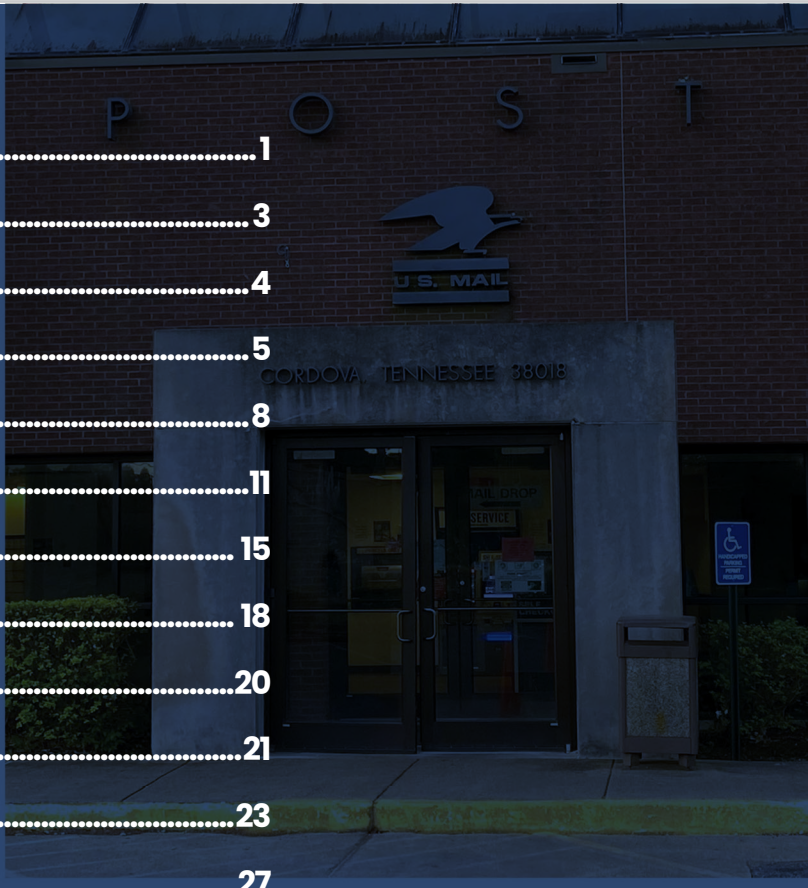I am very proud of all the work we have done. I hope everyone finds the new format useful.

Tammy L. Hull
Inspector General, United States Postal Service

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About Us

The U.S. Postal Service Office of Inspector General (OIG) provides essential oversight to the United States Postal Service (USPS) and 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 employees. Our agency is made up of nearly 1,000 personnel in 96 field offices across 39 states and 91 congressional districts who oversee a postal workforce of over 635,000 employees. While there is only one of us for every 645 postal employees, we are charged with an important mission: to ensure efficiency, accountability, and integrity in the U.S. Postal Service.

Office of Audit

Our Office of Audit is composed of five program areas:

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

Auditors in each directorate conduct independent audits and reviews of USPS and PRC programs and operations to identify fraud, waste, and abuse.

These audits also promote economy by finding cost-saving opportunities for both the Postal Service and the PRC through recommendations to promote program integrity and improve areas where deficiencies or opportunities are identified.

Office of Investigations

While the vast majority of postal employees are trustworthy, dedicated workers, a small percentage violate the public's longstanding trust in the postal system. Our Office of Investigations (OI) has special agents stationed around the country to investigate allegations of internal crimes, fraud, and misconduct by postal or PRC employees or their contractors.

Our investigative work focuses on:

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

OI also has specialized units that include the Cyber Crimes Unit and the Special Inquiries Division. 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.

Its primary objective is to support our agency's core mission by providing comprehensive analytical services and research products to our auditors, investigators, senior leaders, and stakeholders.

Our researchers analyze strategic, emerging, or historical issues affecting the Postal Service and publish white papers that identify opportunities for USPS to improve its products and services. This work provides key insights and information on matters that significantly impact current and future postal operations.

Summary *of* Performance

AUDITS *and* WHITE PAPERS

Questioned Costs:
$952,811,281

Revenue Impact:
$0

Funds put to better use:
$39,086,331

Total: **$991,897,612**

Reports Issued: **87**

Recommendations Issued: **206**

Total Reports with Financial Impact: **14**

INVESTIGATIONS[1]

Investigations Completed: **1,772**

Arrests: **310**

Indictments/Informations: **345**

Convictions/Pretrial Diversions[2]: **418**

Administrative Actions: **922**

Amount to the Postal Service[3]:
$94,557,764

Cost Avoidance:
$232,933,448

Fines, Restitution, and Recovery:
$384,876,124

HOTLINE CONTACTS

Total Contacts:
90,482

Facsimile	Standard Mail	Voicemail Messages	Email	Telephone Calls	Webforms
163	**868**	**9,227**	**11,307**	**13,234**	**55,683**

Mission Statement

Ensuring efficiency, accountability, and integrity in the U.S. Postal Service.

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

Delivering *for* America

The Postal Service announced its ten-year *Delivering for America* plan (DFA) in March 2021. The plan outlines significant changes to many aspects of USPS's operations, including redesigned processing, transportation, and delivery networks, and more than $40 billion in increased investments between fiscal years (FYs) 2021 and 2030.
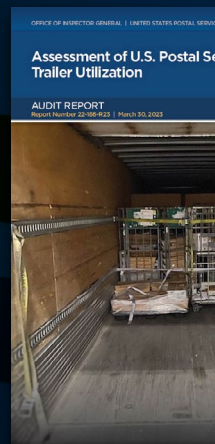
Delivering *for* America

Investing in the Future

Some of our work over the last six months focused on the Postal Service's investments in equipment and infrastructure, including the acquisition of new technology and its plan to modernize its aging fleet of delivery vehicles.

One of our audits evaluated how the Postal Service estimates and monitors the return on investment on its capital projects. While we found USPS follows a robust review and approval process before project implementation, we also found it could improve the tracking and reporting of capital projects following deployment.

Similarly, a white paper examined how other postal and logistics providers managed major investments in processing networks. Through interviews and research, we identified 11 industry best practices across the categories of people, process, and technology. Gaining insight into operators' best practices may help the Postal Service further refine the planning, implementation, and evaluation of major long-term investments in its processing network.

Industry Best Practices for Investing in Processing Operations

Source: USPS OIG.

Redesigning the Networks

A major network change the Postal Service is undertaking as part of the DFA is creating approximately 400 new delivery facilities called Sorting and Delivery Centers (S&DCs), which consolidate smaller delivery units. S&DCs are larger facilities that cover more delivery routes, include package sorting operations, and are centrally located to target key markets. Their goal is to provide faster, more reliable delivery over a greater geographic area while reducing transportation to and from processing centers and streamlining mail and package handling.

We reviewed the rollout of the first six S&DCs and one Parcel Distribution Center that opened in FY 2023. Overall, our audit found the facilities operated as designed and experienced several successes during opening operations. However, USPS did not communicate enough details about the launch of the facilities to external stakeholders, such as shippers and mailers. The new facilities were opened before all construction projects were complete, forcing employees to use mobile restroom trailers for months. And there were problems ensuring PO Box mail arrived to post offices on time, as well as issues with sort programs that resulted in rejected packages.

Small Delivery Unit Sorting Machine

Source: OIG photo taken at Woburn S&DC on February 25, 2023.

Delivering *for* America

Deploying Package Processing Equipment

The DFA also calls for modernizing the network by investing in upgraded equipment, particularly for package processing. One of our audits examined the Postal Service's new Single Induction Package Sorter (SIPS) machines, which it purchased and deployed to reduce manual sorting as package volumes grew during the COVID-19 pandemic. Overall, we found USPS met its goals for this equipment, but 23 percent of SIPS machines were significantly underused. We recommended postal management develop a strategy to use the machines to their fullest potential, with which they agreed.

Since the Postal Service plans to expand the use of sorting equipment in delivery facilities, we also examined how well it repairs and maintains already deployed package sorters. Another audit found that, compared to processing plants, delivery units are less accustomed to maintaining sorting equipment. At three of the four delivery units we reviewed, personnel did not properly conduct required maintenance because maintenance assignments were unclear and management failed to ensure all such assignments were completed.

Ensuring a Focus on Sustainability

As stated in the DFA, one of the Postal Service's core commitments is environmental sustainability. To inform USPS's sustainability efforts, we produced a report on trends promoting sustainability in processing operations in the postal and logistics industry.

Our auditors also looked at whether the Postal Service's Next Generation Delivery Vehicle (NGDV) acquisition process followed the National Environmental Policy Act (NEPA). When USPS first announced the winner of the NGDV contract to replace the delivery fleet, its initial plans called for at least 10 percent electric vehicles. Many stakeholders, however, expressed concerns about the acquisition process and the Environmental Impact Statement (EIS) the Postal Service prepared as required by NEPA. The OIG received a congressional request to examine both.

Our audit found the Postal Service's acquisition process and EIS followed NEPA's procedural requirements. We did, however, have concerns about some aspects of the Postal Service's analysis. While we were conducting the audit, USPS announced it would complete a supplemental EIS (SEIS) and agreed to our recommendation to incorporate changes in its SEIS to reflect our concerns.

INVESTING IN GREENER OPERATIONS

Postal and logistics operators are promoting environmental sustainability across their processing operations

RENEWABLE ENERGY

Many operators are investing in solar panels and generating power from wind turbines. Solar and wind-powered energy efficient HVAC and lighting infrastructure have helped operators lower the daily operational energy costs.

GREEN TRANSPORTATION

Providing adequate support for an expanding electric fleet has become a major component of designing and modernizing processing facilities. All operators are mobilizing or planning to implement an electric fleet of vehicles, but many operators face limitations with electrical grid capacity and regulations.

ENERGY-EFFICIENT EQUIPMENT

Investing in efficient processing equipment can further reduce energy consumption and daily operational costs. More efficient processing can also speed up operations, potentially improving an operator's overall quality of service.

SUSTAINABLE LAND USE

Sustainable land use strategies include selecting less environmentally disruptive sites, leveraging alternative transportation networks, and optimizing network design. Practicing sustainable land use can help reduce energy usage and improve network efficiency.

REDUCE, REUSE, RECYCLE

Reducing, reusing, and recycling material has been a longstanding sustainability strategy for postal operators. Reducing and reusing material in packaging and throughout processing operations reduces the amount of waste that goes to landfills and lowers costs.
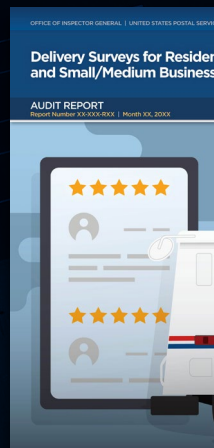
Source: OIG analysis.

Service Performance

The Postal Service is the most highly-rated government agency in the nation. As such, postal customers expect a high level of service. Our work in this area ranges from a dynamic dashboard on our website that tracks USPS's service performance, to audits on package tracking messaging, cremated remains, and delivery issues.

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Reduce Mail Excluded ...surement

...y 14, 2023

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Package Tracking Messaging

AUDIT REPORT
Report Number XX-XXX-RXX | Month XX, 20XX

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U.S. Postal Service's Plans to Resolve Post Office Suspensions

AUDIT REPORT
Report Number XX-XXX-RXX | Month XX, 20XX

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Cremated Remains

AUDIT REPORT
Report Number XX-XXX-RXX | Month XX, 20XX

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Delivery Surveys for Resider... and Small/Medium Business...

AUDIT REPORT
Report Number XX-XXX-RXX | Month XX, 20XX

Service Performance
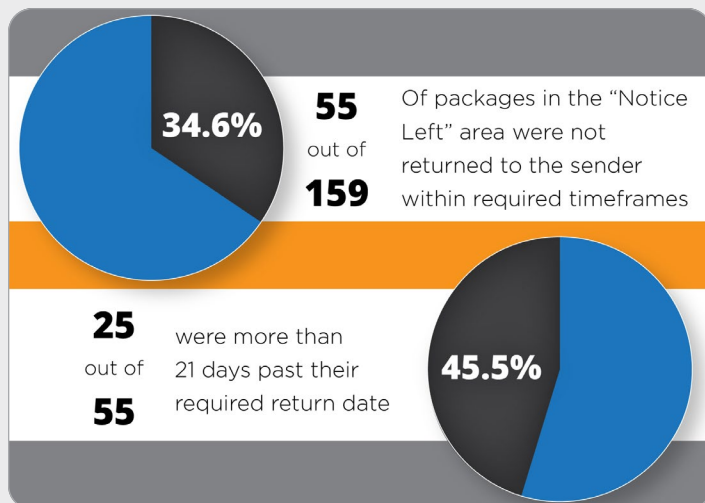
Improving Tracking Services

The Postal Service offers a way to track mail and packages by sending status notifications to its customers. But how accurate or effective is this messaging?

In one audit, we evaluated tracking information for 500 domestic packages from 25 states at various stages of delivery. We found tracking messages were sometimes vague and did not always paint an accurate picture of a package's location. A separate audit found packages at some facilities were not scanned properly or at all, and some tracking barcodes were unreadable.

We recommended developing more accurate package status descriptions to improve USPS's messaging, and postal management agreed. Clearer messages will help better identify scanning issues and provide customers a more accurate status of their mail's whereabouts.

34.6% · **55** out of **159** — Of packages in the "Notice Left" area were not returned to the sender within required timeframes

25 out of **55** · **45.5%** — were more than 21 days past their required return date

Source: OIG.

Cremated Remains

The Postal Service is the only official courier in the United States that ships cremated remains. Responding to a congressional inquiry, OIG auditors set out to determine how well these packages were accepted, processed, and delivered.

USPS has specific policies in place to accept, process, and deliver cremated remains packages. However, the audit noted some policies — such as the proper labeling of cremated remains — were not always followed. Auditors also identified steps to improve the acceptance process for such packages.

We recommended the Postal Service develop a system to improve communication about cremated remains shipments among retail clerks nationwide; postal management agreed to this and two other of the six recommendations in our report. As some of the most priceless shipments that move through USPS's network, it is imperative to ensure they are handled with utmost efficiency, security, and care.

Priority Mail Express Cremated Remains Box

Source: Publication 139, *How to Package and Ship Cremated Remains.*

Service Performance

Service Issues

When postal customer feedback or congressional interest prompt reports of poor delivery service, our specialized Field Operations Review teams respond. With the goal of identifying opportunities to improve delivery operations and customer satisfaction, these teams conduct audit fieldwork on regional delivery, transportation, and mail processing conditions and operations. Each team completes a "cluster" of audits in a specific area of the country, focusing on one processing plant and multiple delivery units to identify problems and best practices.

During the second half of FY 2023, our auditors completed 26 reports on Florida, Louisiana, Maine, and Tennessee, assessing service issues at processing plants and associated delivery units. Each visit identified multiple issues including delayed or undelivered mail, deficient or hazardous property conditions, improper or missing package and truck arrival scans, and issues relating to the management or security of arrow keys — USPS's proprietary keys used to open and secure blue collection boxes and Cluster Box Units, such as those found in apartment buildings.

As our Field Operations Review teams focus on specific criteria during their site visits, they identify recurring issues in the course of their work. For instance, delayed mail was found at every delivery unit surveyed across the four states. However, in some facilities this was due to insufficient staffing. In other facilities, it was a result of mail carriers being exposed to extreme heat, while in others new carriers lacked familiarity with their routes.

As we conduct more of these "cluster" reviews, we are able to identify and highlight underlying causation — findings that postal management can use to improve service performance as well as customer satisfaction.
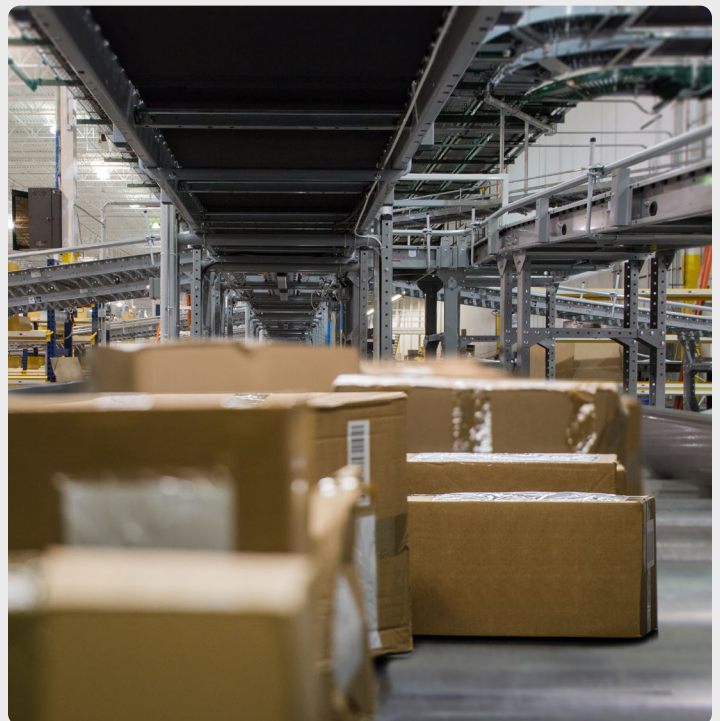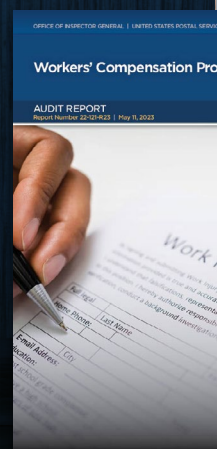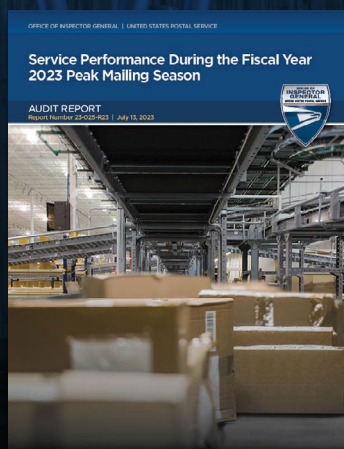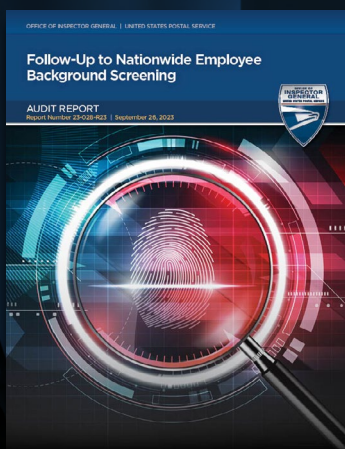
Labor Issues

The Postal Service is one of the largest employers in the United States, with a workforce of over 635,000 in FY 2022. Eighty-one percent are "career" employees and 18.7 percent are "pre-career" (also called "non-career") employees. USPS remains one of the most diverse employers in the nation with women and minorities making up 46 and 53 percent of the workforce respectively. The Postal Service also employs nearly 63,000 veterans.

Like private industry, the Postal Service is expected to fund its operations through revenue. Postal revenues fund payroll and benefits, which is USPS's largest operating expense at more than $51 billion in FY 2022. However, USPS tends to face more constraints than private sector firms around its labor rules and regulations. For example, it must participate in federally run retirement, health insurance, and workers' compensation programs. Also, around 92 percent of USPS's workforce is covered by collective bargaining agreements, adding complexity to an already challenging cost structure.

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Follow-Up to Nationwide Employee Background Screening

AUDIT REPORT
Report Number 23-028-R23 | September 26, 2023

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Postal Service's Non-Career Employee Turnover Follow-Up

AUDIT REPORT
Report Number 22-180-R23 | April 18, 2023

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Service Performance During the Fiscal Year 2023 Peak Mailing Season

AUDIT REPORT
Report Number 23-025-R23 | July 13, 2023

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Workers' Compensation Pro

AUDIT REPORT
Report Number 22-121-R23 | May 11, 2023

Labor Issues

Investing Retiree Assets

The Postal Service's unfunded liabilities for pensions and retiree health care have been a significant drain on its financial wellbeing for many years. In the DFA, USPS requested two forms of financial relief: (1) Medicare integration for retiree health care and (2) a fair allocation of the Civil Service Retirement System (CSRS) pension costs for postal employees with prior Post Office Department service. The Postal Service Reform Act enacted Medicare integration, but USPS is still seeking CSRS relief.

One of our most widely read white papers analyzed historical returns on USPS's retirement investments to determine the potential income it could have earned from different investment strategies. The findings were astonishing: if the Postal Service could have invested in a simple mix of 60 percent stocks and 40 percent bonds from the start of each of its three retirement funds, it would have $1.2 trillion in retirement assets instead of the $298 billion it had at the end of FY 2022. Congressional action would be required, but investing in a diversified asset mix could extend the life of the Postal Service's retirement funds and ensure the agency's ability to meet its future retiree obligations. For a quick recap of this white paper, listen to our podcast.

Workers' Compensation

The way the Postal Service handles workers' compensation differs from private industry and state governments in many ways. We issued an audit during this period to explore these differences and the resulting cost implications. For one, USPS must follow the Federal Employees Compensation Act (FECA), which allows no settlements or buyouts, whereas 43 state governments do. FECA allows employees to choose providers without limitations, while most private firms can require the use of in-network physicians. And unlike the 35 state governments that require the use of generic drugs, FECA allows people on workers' compensation to use brand-name drugs.

FECA also puts no limit on how long an employee is eligible to receive compensation and medical benefits, nor does it limit the dollar amount. Postal employees can remain in the workers' compensation program well beyond a typical retirement age. By contrast, 17 state governments place limitations on the total amount or duration of permanent total disability benefits.

We found because of these differences, the Postal Service's workers' compensation cost per workhour was 31 to 41 percent higher compared to private industry. While USPS is working to contain costs within the areas it can control, we also identified opportunities for further cost control, such as finding ways to automate time-consuming manual processes. However, bigger savings would require legislative changes: had the Postal Service been allowed to adopt practices employed by private industry, it could have saved nearly $700 million over the past two charge-back years (measured July through June).

Claimant fraud — when employees claim workers' compensation to which they are not entitled — also increases these costs. In the second half of FY 2023, our special agents investigated 114 cases of workers' compensation fraud. Six of those cases have been adjudicated, resulting in criminal convictions; the rest continue to move through the judicial system.

Labor Issues

Pre-career Employee Turnover

Another labor challenge the Postal Service faces is high turnover of its pre-career, or temporary, employees. Pre-career employees do not receive the same benefits as career employees and are not always guaranteed a regular schedule. USPS relies on pre-career employees to supplement its workforce, often during peak mailing season — the period between Thanksgiving and New Year's Day when mail volume ramps up.
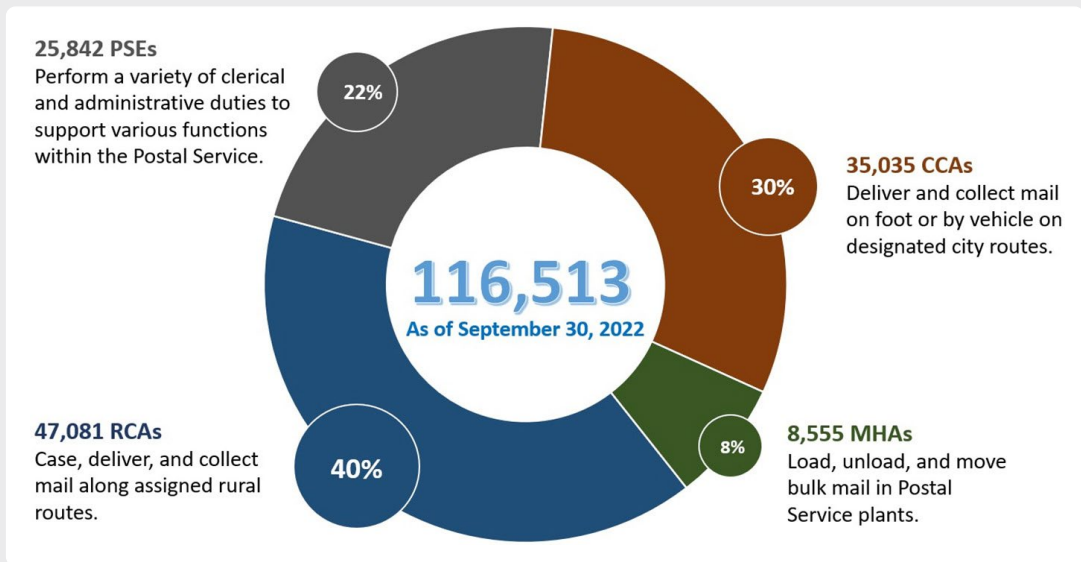
In the past, we found that challenges with schedule flexibility and supervisor relations were the two main drivers of high pre-career turnover. To address both concerns, USPS created and piloted its 511 National Initiative, which limited workhours to 40 hours or less per week during the first

30 days of employment for these employees. The initiative also stipulated giving at least one day off per week to pre-careers and required supervisors to have well-planned and scheduled discussions with new hires.

Our follow-up audit found some improvement in retention rates at those facilities included in the pilot. However, issues continued with schedule flexibility and employees working too many hours after the first 30 days of employment. Postal management agreed with all our recommendations, including that USPS look into options for workhour and workday limits and develop specific retention programs aimed at different types of pre-career employees.

Number of Non-career Employees and Job Responsibilities

Source: Enterprise Data Warehouse and Job Description Online.

25,842 PSEs Perform a variety of clerical and administrative duties to support various functions within the Postal Service.

22%

116,513 As of September 30, 2022

30%

35,035 CCAs Deliver and collect mail on foot or by vehicle on designated city routes.

8%

8,555 MHAs Load, unload, and move bulk mail in Postal Service plants.

40%

47,081 RCAs Case, deliver, and collect mail along assigned rural routes.

Meeting Staffing Challenges

As noted earlier, one cause of delayed mail is insufficient staffing at postal facilities. Hiring and retaining employees is not a challenge unique to the Postal Service. In September, we held an expert-panel event to discuss how the current labor market — including changing worker expectations, low unemployment, and labor shortages — are impacting USPS. We will be releasing a report on this topic next year.

Labor Issues

Overtime Management

One way the Postal Service manages enough employee workhours to cover operations is by using overtime. Generally, hourly employees are entitled to regular overtime (OT) after working 40 hours a week, while some eligible employees are entitled to "penalty" overtime under certain conditions within the collective bargaining agreements. OT is paid at one and a half times the employee's hourly rate, while penalty overtime to eligible employees is paid at twice the employee's hourly rate. While overtime can be an effective tool, misuse can result in significant costs to the Postal Service.

Proper overtime management — ensuring hours are authorized and recorded accurately — plays an important role in managing postal costs. In an audit we conducted on penalty overtime, we found there were opportunities for USPS to reduce unauthorized penalty overtime. Our recommendations can help the Postal Service better manage and document its penalty overtime hours. However, postal management disagreed with two of our five recommendations.

We acknowledge the Postal Service faces many constraints in managing its labor force. As USPS continues to struggle financially, it is critical for it to use the tools it has available to manage and optimize its labor costs.
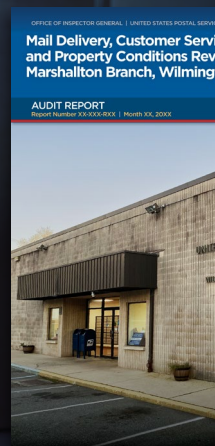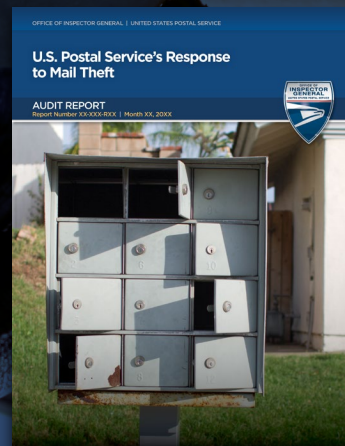
Processing and Logistics Operations Penalty Overtime Usage in FY 2022
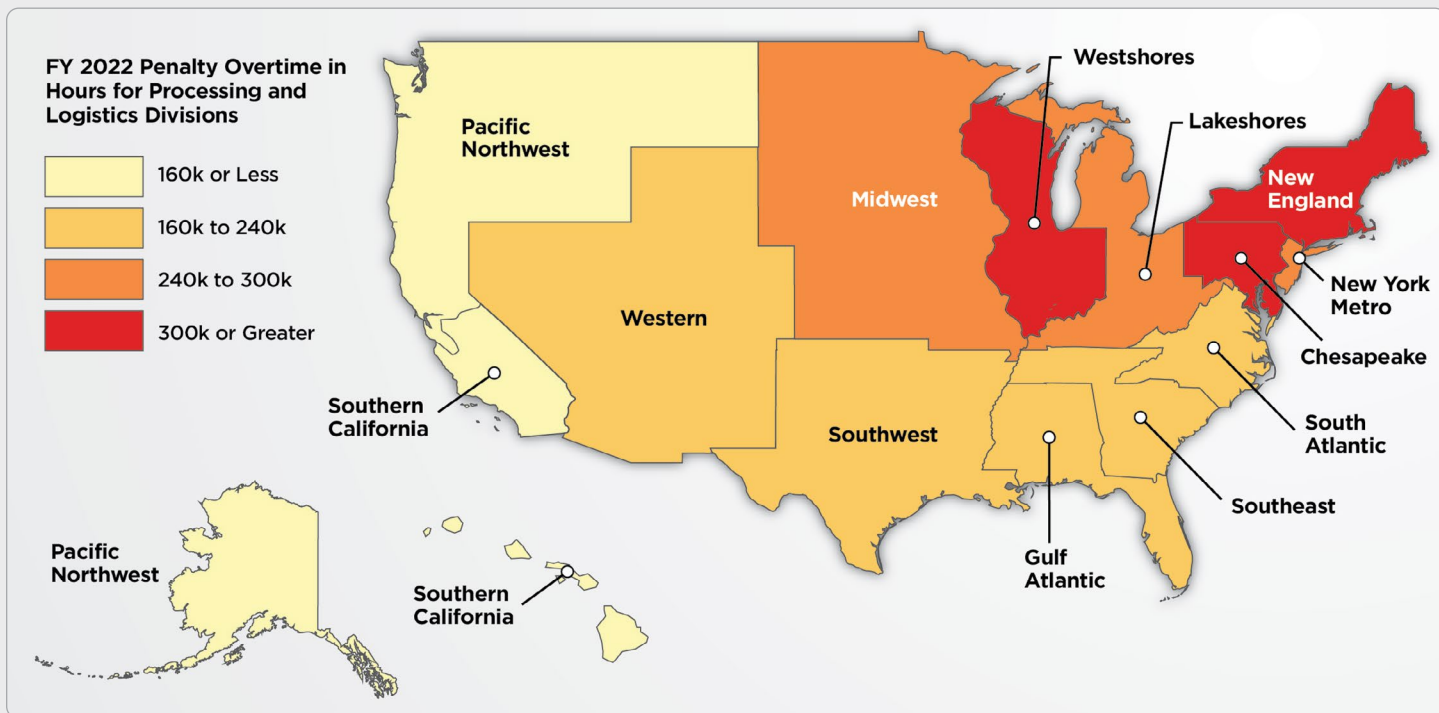
Source: OIG analysis based on OIG's Postal Service Employee Availability Dashboard.

Mail Theft

Upholding the integrity of the U.S. Mail is one of the Postal Service's highest priorities, and the vast majority of postal employees are committed to the nation's mail being delivered safely and in a timely manner. In fact, providing frequent, reliable, safe, and sure delivery to customers is in USPS's mission statement.

omer Service, and Property
y – North Philadelphia
hia, PA

Louisiana District: Delivery Unit Operations

AUDIT REPORT
Report Number 23-113-R23 | October 5, 2023

Kansas City Delayed Mail

AUDIT REPORT
Report Number 23-085-R23 | August 31, 2023

U.S. Postal Service's Response to Mail Theft

AUDIT REPORT
Report Number XX-XXX-RXX | Month XX, 20XX

**Mail Delivery, Customer Servi
and Property Conditions Rev
Marshallton Branch, Wilming**

AUDIT REPORT
Report Number XX-XXX-RXX | Month XX, 20XX

Mail Theft

Increase in Mail Theft

As the Postal Service provides mail service to almost 153 million customers six days a week, carrier robberies and mail theft are on the rise nationwide. One of our latest audits evaluated USPS's response to mail theft, including how it handles related complaints, carrier robberies, investigations, and the security of its universal mail arrow keys. We also evaluated the efforts of the Postal Inspection Service, a law enforcement agency within USPS, as it responds to such cases.

The Postal Service is deploying more secure mail collection boxes and implementing initiatives for enhanced arrow key security, an area where we have found it frequently lacks accountability. We found USPS does not have deployment timelines with actionable milestones to fully implement planned initiatives to address mail theft.

While the Inspection Service implemented efforts to address mail theft and is working to finalize a mail theft strategy, we found it is facing staffing challenges that have disrupted its ability to fully address this issue nationally. We also found postal inspectors who solely worked

mail theft cases are not required to complete specialized training. Lastly, the Inspection Service did not clearly define the purpose of its Mail Theft Analytics Program. We calculated the Postal Service could use over $1 million more effectively in FYs 2023 and 2024 if the purpose of the program were clarified around its efforts to analyze mail theft complaints.

Source: Postal Inspection Service.
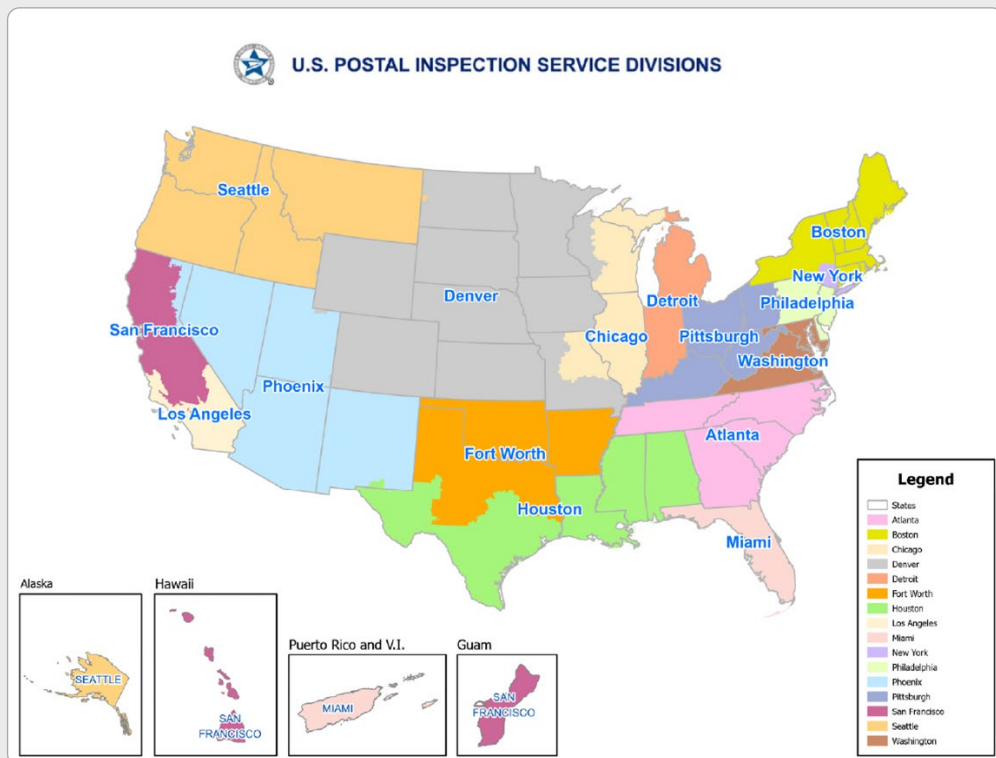
Arrow Keys: A Criminal Commodity

Arrow keys are often a target in carrier robberies and are used to commit mail theft. OIG auditors found several issues regarding arrow keys in all our Field Operations Reviews during the past six months. At some of the delivery units, the keys were not properly secured under lock and key. Some delivery units had keys missing from the inventory log and could not provide documentation verifying they were reported to the Inspection Service. The Postal Service must improve its arrow key oversight and supervision to prevent mail theft.

On delivery routes, criminals assault and rob carriers to gain control of arrow keys. They are also luring postal employees into the illegal sale of arrow keys. To cover their tracks, colluding employees sometimes lie about their involvement, claiming the arrow key was lost or stolen. In one OIG investigation, a rural carrier admitted to special agents that he sold his arrow key to a criminal who, along with a co-conspirator, used it to steal mail from area collection boxes and Cluster Box Units. The employee resigned and was criminally prosecuted, as were the external actors, who received prison time and supervised release.

Mail Theft

OIG Investigates

Our Office of Investigations has also seen an increase in the theft of parcels containing checks and credit cards. Our special agents actively pursue allegations of mail theft to deter criminals from stealing mail of any sort, but especially pieces that contain checks and credit cards. During the past six months, our special agents have been investigating 836 cases of mail theft, including 126 cases of stolen checks and 113 cases of stolen credit cards. These investigations have resulted in 191 arrests, 236 criminal convictions, and nearly $3 million in fines, restitution, and recoveries.

We work with other federal, state, and local law enforcement partners, as well as the Department of Justice (DOJ), to investigate these allegations and to hold these criminals accountable. The OIG takes all instances of mail delivery disruption seriously, whether it is mail theft or delayed mail, whether the issue is internal, or whether it is criminal in nature. It is our agency's responsibility to identify issues through investigating allegations of criminal activity involving postal employees or contractors and auditing postal facilities in an effort to stop these activities.

Narcotics

The illegal trafficking of narcotics is a top national security concern, and the Postal Service is not immune to it. As Drug Trafficking Organizations (DTOs) continue to target USPS's vast delivery network, the OIG continues to identify, investigate, and dismantle DTOs that seek to exploit the Postal Service and its workforce.

Narcotics

In 2021, the OIG launched the Strike Force program, which has provided significant benefits to the Postal Service and the safety of the entire nation. The program focuses on investigating postal employees or contractors who conspire with DTOs to transport and traffic illegal drugs through the U.S. Mail.

Since the Strike Force's inception, 16 OIG special agents have opened 192 cases in Florida, California, New York, Ohio, Pennsylvania, Texas, and West Virginia. Their efforts identified 318 trafficking subjects, 142 of which were active postal employees supporting DTOs. Strike Force agents — who mainly focus on opioids, fentanyl, cocaine, and methamphetamines — have complemented our other extensive narcotics efforts. However, a lack of funding in this area will eliminate the 16 Strike Force agent positions and reduce our capability to staff these investigations, thereby affecting our ability to continue this important work.

Examples of our narcotics work during the past six months include a case where two postal employees were directly tied to delivering at least four parcels containing over 200,000 fentanyl pills and two kilograms of cocaine. Investigators determined one of the external co-conspirators shipped approximately 400,000 illegal pills per month throughout the country, making millions of dollars in digital currency. The other two external co-conspirators were involved in cocaine trafficking.

In another case, a postal employee received payment from a DTO diverting packages with drug paraphernalia into the hands of criminals. The employee and four external co-conspirators were charged not only with conspiracy to distribute controlled substances, but also conspiracy to commit money laundering, and possession with intent to distribute.

None of the colluding employees involved in those cases currently work for the Postal Service, and two of the three received prison time. As for the external actors, all seven received a collective 57 years in federal prison.

While the percentage of postal employees or contractors who collaborate with DTOs remains very small, our Office of Investigations takes allegations that endanger the Postal Service's integrity very seriously. To learn more about this important work, visit our new Investigative Case Highlights page on our website.

FY 2023 OIG Narcotics Investigations	
Investigations Closed	444
Arrests	137
Indictments/Informations	159
Criminal Convictions	256
Administrative Actions	165
Fines, Restitution, and Recoveries	$3,325,583
Amount to the Postal Service	$370,689

Senior Executive Investigations

During the reporting period, four instances of misconduct by Postal Career Executive Service (PCES) employees were substantiated. The PCES grade is substantially similar to the Senior Executive Series (SES).

Substantiated Allegations

1. The OIG obtained information stemming from a separate OIG investigation that a Postal Service manager improperly disclosed protected information when he emailed copies of Postal Service disciplinary records and OIG Hotline complaints to his girlfriend, wife, and father who were not privy to the information.

   This investigation was referred to the DOJ, but not accepted for prosecution. The OIG provided its Report of Investigation (ROI) to USPS for appropriate action, and the manager was removed from Postal Service employment.

2. The OIG received a complaint that a Postal Service manager sexually harassed a subordinate. The manager admitted he put his hand on the subordinate's shoulder when they were alone in his office without permission or consent.

   This investigation was not referred for prosecution. The manager retired during the investigation and the OIG provided its ROI to USPS for awareness.

3. The OIG received a complaint that a Postal Service manager improperly accepted gifts, misused his position, and gave the appearance he lacked impartiality in the management of USPS contracts.

   The investigation determined the manager developed a personal relationship with several Postal Service contractors, and for years the manager and subordinates accepted dinner and drinks from the contractors in excess of the authorized limit.

   The manager admitted to accepting personal gifts from the contractors, including cash equivalents, which gave the appearance of gratuity payments for official acts. The manager appeared to show favoritism, preferential treatment, and conflict of interest by engaging in activities that led to noncompetitive contracts.

   This investigation was referred to the DOJ, but not accepted for prosecution. The OIG provided its ROI to USPS for appropriate action. The manager agreed to voluntarily resign from Postal Service employment. The subordinate employees received ethics training, but no discipline was issued.

4. The OIG received a complaint that a Postal Service manager misappropriated postal funds by authorizing overnight lodging on two separate occasions for employees whose duty station was not outside of the minimum 50-mile radius.

   The investigation found the manager approved overnight lodging and requisitions for meals without authorization.

   This investigation was not referred for prosecution. The OIG provided its ROI to USPS for appropriate action. The OIG also issued a substantiated Whistleblower Reprisal (WBR) ROI against the manager (details included in the substantiated WBR section). In response to both ROIs, the Postal Service issued a proposed reduction in grade to the manager. The manager retired before the discipline was finalized.

Unsubstantiated Allegations:

During the reporting period, no instances of alleged misconduct by Postal Career Executive Service (PCES) employees were unsubstantiated.

Whistleblower Reprisal Investigations

During the reporting period, there were three substantiated whistleblower reprisal allegations.

Substantiated Allegations

1. The OIG received a whistleblower reprisal complaint that a Postal Service supervisor retaliated against an employee after the employee repeatedly objected to the supervisor's sexual harassment. In retaliation, the supervisor denied the employee's leave requests throughout the years, resulting in a loss of pay. The employee then reported the sexual harassment and a sexual assault to a manager and two other supervisors. In retaliation for the disclosures, additional leave was denied.

   The OIG's investigation substantiated the employee's protected disclosures were, at a minimum, a contributing factor in the supervisors' and manager's decisions to take personnel actions against the employee by denying her leave.

   The OIG provided its ROI to USPS for appropriate action. The Postal Service determined no disciplinary action was warranted based on the retaliation complaint. Discipline for the underlying sexual harassment by the supervisor and mismanagement of the sexual harassment investigation by the manager are still pending.

2. The OIG received a whistleblower reprisal complaint that a Postal Service manager retaliated against an employee after the employee reported mismanagement by the manager to a U.S. senator's office. The senator's office then issued a letter to the manager questioning the actions taken to resolve service disruptions. After the manager received the letter, he instructed a supervisor to discipline the employee, but the supervisor refused, claiming the discipline was inappropriate and retaliatory. In response to the employee's and supervisor's protected disclosures, the employee was denied acting opportunities previously afforded, and the supervisor was denied attendance at a training conference.

   The OIG's investigation substantiated that the employee's and supervisor's protected disclosures were, at a minimum, a contributing factor in the manager's decisions to take personnel actions against the employee and supervisor.

   The OIG provided its ROI to USPS for appropriate action. The OIG also issued a Senior Executive Misconduct ROI against the manager (details included in the Senior Executive section). In response to both ROIs, USPS issued a proposed reduction in grade to the manager. The manager retired before the discipline was finalized.

WHISTLEBLOWER REPRISAL ACTIVITY
For the Period: April 1 – September 30, 2023

| 119	4	6	116	3
Allegations Received	OIG Investigations Initiated	Investigations Closed with No Action	Allegations Closed with No Action	OIG Found Reprisal

Whistleblower Reprisal Investigations

USPS OIG Whistleblower Complaint

The OIG received a whistleblower reprisal complaint that a USPS OIG supervisor retaliated against a direct report employee after the employee filed an informal Equal Employment Opportunity (EEO) complaint against the supervisor. In retaliation, the employee was not afforded a promotional detail opportunity, received a lower performance evaluation score than previous years, and was disciplined differently than another similarly situated employee.

Pursuant to policy, USPS OIG sent the complaint to Peace Corps OIG who then assigned the complaint to the designated contracted firm.

The contractor's investigation substantiated the employee's informal EEO complaint was a protected disclosure and was a contributing factor in the supervisor's decisions to take personnel actions against the employee. The supervisor retired during the investigation before the ROI was issued.

The contractor provided its findings and recommendations to USPS OIG. In response, USPS OIG agreed with the contractor's recommendations and developed internal mechanisms to formalize the process for temporary detail opportunities, expand required managerial training to include additional whistleblower reprisal training, and review and update the discipline process, as needed.
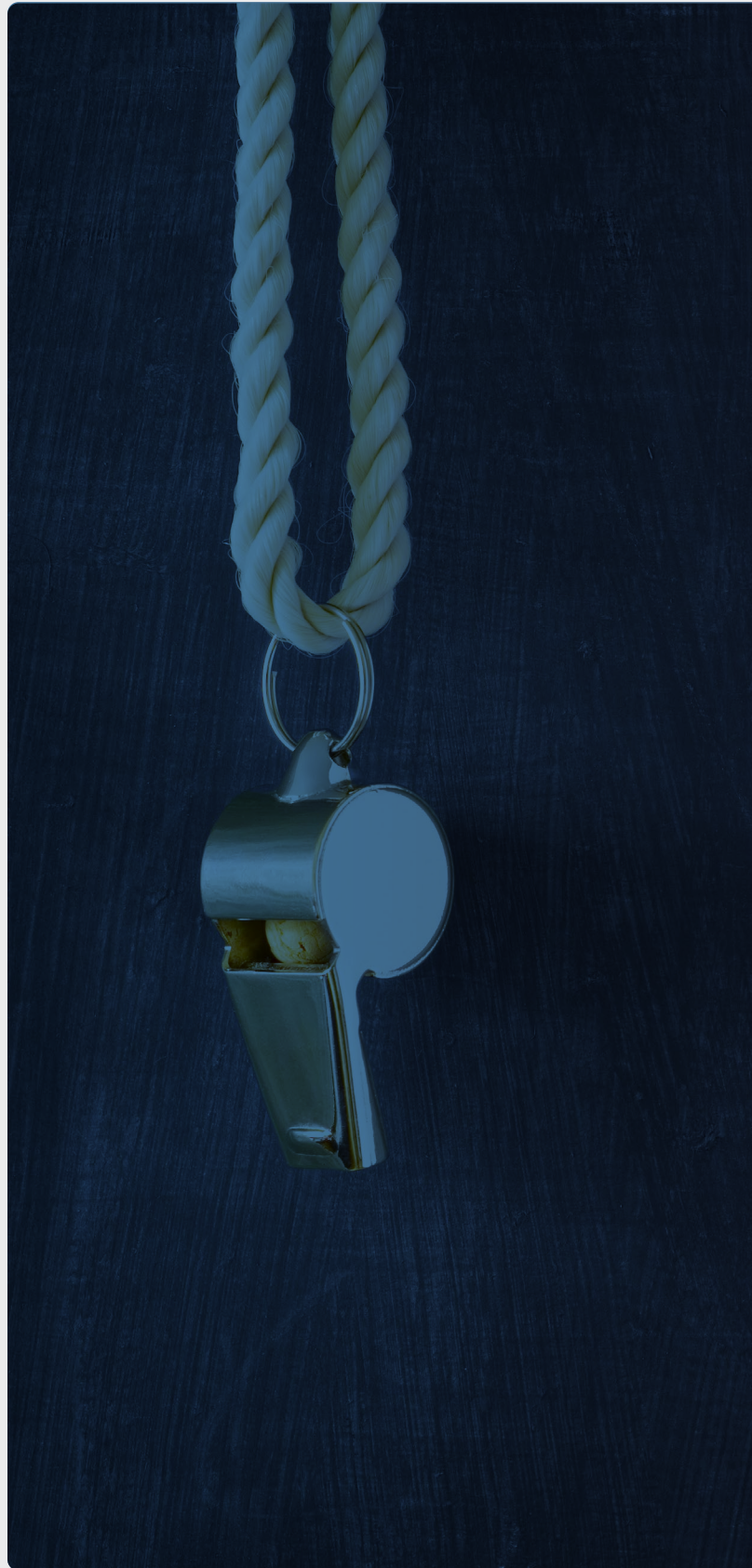
Postal Service Management Challenges

Service Performance

Although the Postal Service has improved service performance for many of its mail products over the past year, performance is still below the goal of 95 percent on-time delivery for most mail products.

As part of its March 2021 ten-year plan, Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence, the Postal Service has established strategies with the goal of achieving financial sustainability, cutting costs, and meeting service performance standards. USPS has begun transforming its network, recalibrating its operating plans, adjusting its First-Class Mail service standard, investing in package sorting equipment, and redesigning its mail processing and delivery facilities by introducing S&DCs, Regional Processing and Distribution Centers (RP&DCs), and Local Processing Centers (LPCs). However, critical operational challenges such as collecting and validating accurate data, staffing, and aligning transportation with volume continue to impact the Postal Service's ability to meet its commitments to an ever-expanding network of over 164 million delivery points.

Additionally, USPS plays a vital role in the American democratic process as vote by mail continues to increase. The Postal Service prioritized processing of Election Mail during the 2020 general election, significantly improving timeliness over the 2018 midterm election even with significantly increased volumes of Election Mail in the mailstream. During the 2022 midterm elections, USPS continued to see an increase in ballots sent and it delivered 97.3 percent of identifiable and measurable ballots on-time — an increase from the 2018 and 2020 elections. Maintaining a high level of service during the 2024 general election will be critical to voters' continued trust in the Postal Service network.

Financial Challenges and Business Constraints

The Postal Service recorded a net income of $56 billion in FY 2022, compared to a net loss of $4.9 billion in FY 2021. However, the net income was due to a one-time, $57 billion non-cash reversal of past-due Postal Service Retiree Health Benefits Fund obligations that were canceled by the Postal Service Reform Act (PSRA), which became law in April 2022. Excluding the impact of this one-time PSRA adjustment, USPS had an adjusted loss of $473 million for the year. Further, the Postal Service received funding from the federal government for certain programs in 2022.

First, it received $10 billion in funding from the Coronavirus Aid, Relief, and Economic Security Act to address impacts of the pandemic, and second, the Inflation Reduction Act, enacted August 16, 2022, provided $3 billion for USPS to buy zero-emissions delivery vehicles and install associated charging infrastructure.

Also, the United States continues to experience the highest inflation rates since the 1980s, which significantly impact the Postal Service's labor costs, the estimation of future liabilities, and fuel costs. It has eroded the purchasing power of USPS's cash on hand, which was about $20 billion as of September 30, 2022.

The PRC provided the Postal Service more flexibility in pricing its products and granted price increases reflective of the inflationary environment. As far as products, First-Class and Marketing Mail services still account for more than half of the operating revenue in FY 2022. Shipping and package volume remains stable and above pre-pandemic levels, though the surge in ecommerce resulting from the COVID-19 pandemic continues to slowly abate as the economy recovers and market competition intensifies. USPS continues to be threatened by changes in consumer and business behavior, increasing competition from electronic alternatives and new market entrants, growing costs, and uncertainty in mailing and shipping markets.

In April 2023, the Postal Service provided a Second-Year Progress Report to their DFA ten-year business plan. The Postal Service noted that by implementing the totality of the strategies identified in the DFA, it expects to operate with a positive net income beginning in FY 2023 or FY 2024 and reverse a projected $160 billion in losses over the next 10 years. Shortfalls or delays in implementation of the plan will place additional pressure on USPS's liquidity and financial results. As a result, the Postal Service may not have sufficient liquidity to meet its existing legal obligations when due while also repaying its maturing debt and making the critical infrastructure investments that have been deferred in recent years.

Infrastructure Modernization

The Postal Service has a nationwide mail processing, retail, and delivery network, with over 34,000 facilities and 231,000 vehicles. Mail processing facilities vary in the type and amount of mail processed, facility square footage, and the number of processing machines used. Additionally, there are different processing end times and last transportation times for each delivery unit that the processing facility

serves, depending on how far away the delivery units are. These factors make it challenging to analyze performance of the Postal Service network.

On average, the facilities have been in use over 35 years, and the Postal Service has seen the type of mail and methods used to process mail change drastically in that time. In FY 2022, USPS made $8.1 billion in capital investments, which is a part of the investments announced in its DFA of roughly $40 billion in capital investments over 10 years; $20 billion towards its mail and package processing network and $19 billion towards its retail and delivery network.

For example, in FY 2023, the Postal Service opened its first Regional Processing and Distribution Center (RP&DCs) through which all mail within a metro-area will flow. These RP&DCs will be constructed to improve efficiencies by creating an effective mail flow throughout the facility. Additionally, USPS is opening Local Processing Centers that are designed to connect RP&DCs to delivery operations to sort letter and flat mail for delivery and serve as a transfer center to aggregate product on its way to delivery. Creating the Local Processing Centers will allow the Postal Service to standardize operations across regions and provide specific management focus on local letter and flat operations. Further, as of November 2022, USPS began to combine delivery units into larger Sorting and Delivery Centers. This shift will allow the Postal Service to deploy package processing machines at the Sorting and Delivery Centers and standardize management of delivery operations. These initiatives are intended to help improve service and reduce costs by decreasing the amount of mail handlings and reducing transportation.

The existing delivery fleet has surpassed its useful lifespan of 24 years, with the average Long Life Vehicle age of 34 years. By 2028, the Postal Service plans to acquire 106,000 new vehicles, of which over 60 percent are planned to be 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 will enable the increased electrification of the delivery fleet over the next five years. USPS released its strategic plan underpinning the electric vehicle deployment in June 2023, noting the critical charging infrastructure installation and upgrades to support the vehicle rollout over the next several years.

Workforce Challenges

The Postal Service had over 516,000 career employees, and over 118,000 pre-career employees, from truck drivers to retail clerks, in FY 2023. Hiring and maintaining a capable workforce, creating sustainable partnerships with suppliers, and cultivating positive relationships with unions are critical to USPS's success.

The Postal Service's DFA plan identified "unacceptably high rates of non-career employee turnover" as a key challenge. Between FYs 2019 and 2022, the national non-career employee turnover rates progressively increased from 38.5 to 58.9 percent. Managing a workforce of this size and scope relies on right-time, right-place hiring; managing trends in employee availability; and focusing on employee retention. Furthermore, employee availability has been volatile since the COVID-19 pandemic began in FY 2020. USPS hit a low of 75 percent employee availability in December 2021 and has remained in the 70th and low 80th percentiles throughout FY 2022. Insufficient staffing can increase the use of overtime and contribute to delayed mail.

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 the ability of management to make efficient, day-to-day operational decisions. The Postal Service ratified some labor deals with unions in FYs 2022 and FY 2023, but negotiations and relationship management are continuous.

IT Modernization and Capacity

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 USPS remains competitive. The technology 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 the DFA, the Postal Service plans to invest roughly $2 billion in technology upgrades. The plan states that 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, USPS is working to deploy a state-of-the-art platform for end-to-end visibility of its unified logistics operations. As information technology,

Postal Service Management Challenges

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 1.1 million devices and including 92.5 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 postal employee website, where employees unknowingly 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. While USPS has since implemented multifactor authentication to further protect employees as they access this system, a consistently reliable and secure network for its employees and customers will be imperative.

Changing Customer Demands and New Competition

The Postal Service competes for customers every day, in every product line, in a dynamic and changing environment. Ecommerce is driving package delivery methods that provide time-certain delivery and lower prices to meet changing customer needs. USPS is pivoting its network, product offerings, and marketing programs to cater to this evolving marketplace. For example, on July 9, 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 USPS, this new shipping option provides a simple, reliable, and more affordable way to ship packages weighing up to 70 pounds in two to five business days.

Mail volume continues to decline as the mix and types of mail continues to evolve. Digital advertising, electronic bill pay, and email correspondence continue to negatively affect letter mail volume, resulting in a 50 and 35 percent decline of First-Class and Marketing Mail volume, respectively, since its peak in 2006. Furthermore, while package volumes have decreased since the surge during the pandemic in FY 2020, they are still higher than pre-pandemic levels. Specifically, in FY 2019, the Postal Service delivered 6.5 billion packages, jumping to 7.9 billion in FY 2021 and 7.6 billion in FY 2022. While this volume fluctuates rapidly, package shipping activity is expected to grow 5 percent per year over the next five years, making this an increasingly competitive space.

As part of its bold approach outlined in the DFA to grow market share, strengthen the value of mail, and enhance its relevance in the marketplace, USPS plans to refine its sales, commerce, and business solutions organizations and strategies both domestically and internationally. To compete effectively, there are a few areas the Postal Service must focus on. Specifically, USPS needs to respond with timely innovations that address customer demands, use data to drive internal decision-making, and identify opportunities for growth within the changing mail/parcel mix.

Supply Chain

The Postal Service plays a vital role in America's supply chains. Businesses and citizens rely on USPS to transport and deliver mail and goods around the country. But the Postal Service is also affected by its own supply chain issues. Specifically, raw material shortages may continue to cause instability, delays, and cost fluctuations in key areas related to USPS. For example, the Postal Service is overhauling its aging delivery vehicle fleet through the procurement of commercial off-the-shelf and purpose-built vehicles. As of July 6, the Postal Service plans for 62 percent of the vehicles acquired to be electric. However, USPS will be subject to market conditions related to inflation and production component shortages, especially the elements used to power electric vehicle batteries.

Additionally, freight shortages persist due to capacity constraints, inflationary pressures on rates, vehicle and related parts scarcity, and the continued truck driver shortage. These factors cause pressure on the profitability of trucking companies and create logistical bottlenecks, which can affect the reliability of Highway Contract Route providers to USPS. The Postal Service must mitigate these challenges as market competition continues and as it modernizes its logistics platforms and transportation network.

Inherent Tension Between Business and Government

The Postal Service is an independent establishment of the executive branch of the federal government but is mandated to operate as a business, resulting in natural tension between these two requirements. USPS has several oversight bodies and very active stakeholders, which often have competing priorities, affecting USPS's ability to efficiently and effectively implement changes to operate and compete in a fast paced, competitive environment.

Postal Service Management Challenges

According to USPS, the DFA will generate enough revenue to cover operating costs; enable investments in its people, infrastructure, and technology; and simultaneously provide customers and the American people with the excellent service they expect and deserve. A key to the Postal Service's success as a business is its strong partnerships with other entities. USPS must balance providing efficient and effective alliances that can help grow the business with safeguarding government assets and ensuring fairness among all partners.

Additionally, the Postal Service is undergoing changes in response to the Postal Service Reform Act of 2022. Specifically, the law gives USPS the Medicare integration it has long requested for retiree benefits starting in 2025, which requires moving postal employees and retirees to a new version of the Federal Employees Health Benefits program in 2025. The move involves coordination between the Postal Service and other parts of the federal government, as well as a great deal of communication with postal employees and retirees. While no longer being required to prefund payments for retiree health, USPS is still ultimately responsible to ensure its retirees' health care premiums are paid. Balancing this reform both internally with its employees and externally with its stakeholders will require up-front communications and employee engagement to ensure a successful transition.

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. Both crimes could also undermine trust in the Postal Service.

Confronting narcotics in the mail can be very dangerous and handling packages that contain them can pose a potential safety hazard for employees. Postal employees may also be targeted by drug traffickers to facilitate their operations. Additionally, facilitating the distribution of drugs can ultimately contribute to the growing crisis in our country.

To help stem the flow of opioids shipped to the U.S. through the mail, Congress passed the Synthetics Trafficking and Overdose Prevention (STOP) Act of 2018. The law requires all postal packages entering the country from international posts to have Advance Electronic Data (AED). AED refers to electronic messages with information about cross-border packages and the larger shipment with which the package

was sent. USPS receives this data from sending posts and forwards it to U.S. Customs and Border Protection (CBP) before packages reach the United States CBP uses AED to identify packages that might contain illicit items, such as drugs and counterfeit merchandise.

Additionally, the Postal Service has experienced a surge in mail theft crimes. In FY 2023, news stories discussed the wide range of items stolen from the mail, such as the theft of personal checks that criminals alter to cash or sell on online criminal marketplaces. USPS continues to work on preventing mail theft by deploying more secure mail collection boxes and implementing initiatives for enhanced security around arrow keys.

The Inspection Service also serves a role in addressing mail theft and narcotics trafficking, as well as other criminal activity. Criminal investigations and data analytics 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.

Appendices

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 – September 30, 2023

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	35	$12,000	$16,186	$16,186	—
Finance, Pricing & Human Capital	15	$37,662,923	$848,205,398	$155,306,301	—
Inspection Service, Technology & Services	4	$1,411,408	$992,602	$673,895	—
Mission Operations	12	—	$103,522,162	$92,516,961	—
Retail, Marketing & Supply Management	9	—	$74,933	—	—
Subtotal	**75**	**$39,086,331**	**$952,811,281**	**$248,513,343**	**—**
RISC	5	—	—	—	—
Total	**80**	**$39,086,331**	**$952,811,281**	**$248,513,343**	**—**

For the period: October 1, 2022 – September 30, 2023

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	69	$12,000	$5,129,191	$62,261	$6,120
Finance, Pricing & Human Capital	24	$37,662,923	$848,205,398	$155,306,301	$172,000,000
Inspection Service, Technology & Services	7	$1,411,408	$992,602	$673,895	—
Mission Operations	16	—	$156,065,655	$145,060,454	$23,033,770
Retail, Marketing & Supply Management	14	—	$5,939,282	$176,642	—
Subtotal	**130**	**$39,086,331**	**$1,016,332,128**	**$301,279,553**	**$195,039,890**
RISC	8	—	—	—	—
Total	**138**	**$39,086,331**	**$1,016,332,128**	**$301,279,553**	**$195,039,890**

Reports with Quantifiable Potential Monetary Benefits

For the period: April 1 – September 30, 2023

	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Field Operations					
Financial Controls					
Capping Report - Efficiency of Selected Processes at Select Retail Units, California 6 District, 23-067-R23, 7/7/2023	1	$12,000	—	—	—
Capping Report – Ohio 2 District: Controls Over Retail Transactions, 23-106-R23, 8/11/2023	1	—	$16,186	$16,186	—

	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Finance, Pricing & Human Capital					
Human Capital Management					
Penalty Overtime, 23-065-R23, 9/27/2023	1	—	$140,856,063	$140,856,063	—
Postal Service's Non-Career Employee Turnover Follow-up, 22-180-R23, 4/18/2023	1	$37,662,923	$14,450,238	$14,450,238	—
Workers' Compensation Program Update, 22-121-R23, 5/11/2023	1	—	$692,899,097	—	—
Finance, Pricing & Human Capital					
Cybersecurity & Technology					
Management of the Postal Service's Smartphones, 22-177-R23, 8/3/2023	1	—	$992,602	$673,895	—
Mobile Delivery Device Security Controls Assessment, 22-175-R23, 7/7/2023	1	$402,432	—	—	—
Inspection Service					
U.S. Postal Service's Response to Mail Theft, 22-178-R23, 9/28/2023	1	$1,008,976	—	—	—
Mission Operations					
Network Processing					
Postal Service's Use of Automated Guided Vehicles, 23-057-R23, 8/17/2023	1	—	$28,832,154	$28,832,154	—
The Single Induction Package Sorter Machine Deployment and Performance, 23-066-R23, 9/11/2023	1	—	$38,310,811	$38,310,811	—
Transportation					
Efficiency of Surface Transfer Centers in the Western Pacific Region, 23-031-R23, 7/13/2023	1	—	$281,973	$281,973	—
Late Trip Payment Process for Highway Contract Routes, 22-202-R23, 4/25/2023	1	—	$25,092,023	$25,092,023	—
Terminal Handling Services Modernization – Phoenix, AZ, 23-092-R23, 9/25/2023	1	—	$11,005,201	—	—
Retail, Marketing & Supply Management					
Sales, Marketing and International					
Postal Service Customer Experience – Delivery Surveys, 23-033-R23, 9/27/2023	1	—	$74,933	—	—
Total	**14**	**$39,086,331**	**$952,811,281**	**$248,513,343**	**—**

Appendix A: Reports Issued to Postal Service Management

Report Listing

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

For the period: April 1 – September 30, 2023

Field Operations

Field Operations Directorate 1

Bywater Station in New Orleans, LA: Delivery Operations, 23-113-1-R23, 8/17/2023

Capping Report - Efficiency of Selected Processes at Select Retail Units, California 6 District, 23-067-R23, 7/7/2023

Carrollton Station in New Orleans, LA: Delivery Operations, 23-113-2-R23, 8/17/2023

Central Carrier Station in New Orleans, LA: Delivery Operations, 23-113-3-R23, 8/17/2023

Collierville Main Post Office in Collierville, TN: Delivery Unit Operations, 23-100-1-R23, 6/27/2023

Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL, 23-049-R23, 4/10/2023

Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN, 23-099-R23, 6/27/2023

Elmwood Branch in New Orleans, LA: Delivery Operations, 23-113-4-R23, 8/17/2023

Germantown Main Post Office in Germantown, TN: Delivery Unit Operations, 23-100-4-R23, 6/27/2023

Lake Forest Station in New Orleans, LA: Delivery Operations, 23-113-5-R23, 8/17/2023

Mail Delivery, Customer Service, and Property Condition Review - Flagler Station, Miami, FL, 23-050-3-R23, 4/10/2023

Mail Delivery, Customer Service, and Property Conditions Review – Industrial Park Annex, Saco, ME, 23-076-1-R23, 5/10/2023

Mail Delivery, Customer Service, and Property Conditions Review – Main Office Carrier Section, Portland, ME, 23-076-3-R23, 5/10/2023

Mail Delivery, Customer Service, and Property Conditions Review - Sanford Main Post Office, Sanford, ME, 23-076-4-R23, 5/10/2023

Mail Delivery, Customer Service, and Property Condition Reviews - Select Units, Maine-New Hampshire-Vermont District, 23-076-R23, 6/21/2023

Field Operations Directorate 2

Cordova Main Post Office in Cordova, TN: Delivery Unit Operations, 23-100-2-R23, 6/27/2023

Desoto Carrier Annex, Memphis, TN: Delivery Unit Operations, 23-100-3-R23, 6/27/2023

Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA, 23-112-R23, 8/17/2023

Efficiency of Operations at the Southern Maine Processing and Distribution Center, ME, 23-075-R23, 5/10/2023

Hickory Hill Station in Memphis, TN: Delivery Unit Operations, 23-100-5-R23, 6/27/2023

Mail Delivery, Customer Service, and Property Conditions Review – Allapattah Station, Miami, FL, 23-050-1-R23, 4/10/2023

Mail Delivery, Customer Service, and Property Conditions Review – Doral Branch, Doral, FL, 23-050-2-R23, 4/10/2023

Mail Delivery, Customer Service, and Property Conditions Review - Lewiston Post Office, Lewiston, ME, 23-076-2-R23, 5/10/2023

Mail Delivery, Customer Service, and Property Conditions Review – Princeton Branch, Homestead, FL, 23-050-4-R23, 4/10/2023

Mail Delivery, Customer Service, and Property Conditions Review - Select Units, Florida 3 District, 23-050-R23, 5/15/2023

Mail Delivery, Customer Service, and Property Conditions Review - Southern Maine Carrier Unit, Scarborough, ME, 23-076-5-R23, 5/10/2023

Tennessee District: Delivery Unit Operations, 23-100-R23, 8/21/2023

Financial Controls

Capping Report – Ohio 2 District: Controls Over Retail Transactions, 23-106-R23, 8/11/2023

Cincinnati Main Office, Cincinnati, OH: Controls Over Retail Transactions, 23-106-3-R23, 7/11/2023

Efficiency of Selected Processes - Chula Vista Post Office, Chula Vista, CA, 23-067-3-R23, 4/26/2023

Efficiency of Selected Processes - Hillcrest Station, San Diego, CA, 23-067-1-R23, 4/26/2023

Efficiency of Selected Processes – Rancho Santa Fe, CA, Post Office, 23-067-2-R23, 4/26/2023

Groesbeck Branch in Cincinnati, OH: Controls Over Retail Transactions, 23-106-2-R23, 7/11/2023

Madeira Branch Office, Cincinnati, OH: Controls Over Retail Transactions, 23-106-1-R23, 7/11/2023

Service Performance During the FY 2023 Peak Mailing Season, 23-025-R23, 7/13/2023

Finance, Pricing & Human Capital

Finance

Compensation, Benefit, and Bonus Authority in Calendar Year 2022, 23-084-R23, 8/7/2023

Fiscal Year 2023 Review of Form 10Q - Quarter 2, 23-093-R23, 5/3/2023

Appendix A: Reports Issued to Postal Service Management

Fiscal Year 2023 Review of Form 10Q - Quarter 3, 23-132-R23, 8/2/2023

Fiscal Year 2022 Office of the Board of Governors' Expenditures, 22-162-R23, 4/21/2023

Independent Report on Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office of Personnel Management, 23-110-R23, 9/8/2023

Return on Investment for Capital Projects, 23-036-R23, 9/5/2023

Sure Money - International Electronic Money Transfer Service, 22-167-R23, 5/12/2023

Cost & Pricing

Competitive Products Billing Determinants: Priority Mail, 22-217-R23, 5/15/2023

Flats Cost Coverage, 22-166-R23, 6/29/2023

Parcel Select Billing Determinants Process and Procedures, 23-111-R23, 9/18/2023

U.S. Postal Service's Plans to Resolve Post Office Suspensions, 21-239-R23, 5/17/2023

Human Capital Management

Follow-Up to Nationwide Employee Background Screening, 23-028-R23, 9/26/2023

Penalty Overtime, 23-065-R23, 9/27/2023

Postal Service's Non-Career Employee Turnover Follow-up, 22-180-R23, 4/18/2023

Workers' Compensation Program Update, 22-121-R23, 5/11/2023

Inspection Service, Technology & Services

Cybersecurity & Technology

Corporate Information Security Office Workforce, 22-194-R23, 9/29/2023

Management of the Postal Service's Smartphones, 22-177-R23, 8/3/2023

Mobile Delivery Device Security Controls Assessment, 22-175-R23, 7/7/2023

Inspection Service

U.S. Postal Service's Response to Mail Theft, 22-178-R23, 9/28/2023

Mission Operations

Delivery Operations

Address Management System for Rural Routes, 22-200-R23, 9/22/2023

Cremated Remains, 23-018-R23, 7/5/2023

Kansas City Delayed Mail, 23-085-R23, 8/31/2023

Review of USPS Sorting and Delivery Centers Opened in Quarter 1 and 2 of FY 2023, 23-062-R23, 9/12/2023

Network Processing

Postal Service's Use of Automated Guided Vehicles, 23-057-R23, 8/17/2023

Progress Made to Reduce Mail Excluded from Service Measurement, 23-035-R23, 9/14/2023

Repair and Maintenance of Package Sorting Machines at Delivery Units, 23-089-R23, 8/10/2023

The Single Induction Package Sorter Machine Deployment and Performance, 23-066-R23, 9/11/2023

Transportation

Efficiency of Surface Transfer Centers in the Western Pacific Region, 23-031-R23, 7/13/2023

Late Trip Payment Process for Highway Contract Routes, 22-202-R23, 4/25/2023

Terminal Handling Services Modernization – Phoenix, AZ, 23-092-R23, 9/25/2023

Transportation Workplace Safety and Driver Security, 23-055-R23, 9/26/2023

Retail, Marketing & Supply Management

Infrastructure & Supply Management

Contract Authoring Management System Utilization and Controls, 22-088-R23, 7/3/2023

Distribution of Repair and Maintenance Resources, 22-081-R23, 4/20/2023

Internal Controls Over the Annual Capital Property Review, 22-185-R23, 9/29/2023

Unsecured Assets at the Washington Network Distribution Center, 22-185-1-R23, 6/28/2023

Sales, Marketing & International

Manual Plant Verified Drop Shipments: Atlantic Area, 22-113-R23, 4/6/2023

Package Tracking Messaging, 22-159-R23, 5/11/2023

Postal Service Customer Experience – Delivery Surveys, 23-033-R23, 9/27/2023

The Path Forward for the Postal Service Loyalty Program, 23-072-R23, 9/14/2023

Retail

Next Generation Delivery Vehicles – Environmental Impact Statement, 22-107-R23, 4/6/2023

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 – September 30, 2023

Research and Insights Solution Center

Historical Analysis of USPS Retirement Fund Returns, RISC-WP-23-005 , 4/26/2023

Industry Trends – Major Investments in Postal Processing Networks, RISC-WP-23-007, 6/13/2023

Investment Trends in Sustainable Postal Processing Operations, RISC-RI-23-008, 9/6/2023

The International Package Market – Trends and Opportunities for the Postal Service, RISC-WP-23-006, 5/15/2023

The Paper Shortage and its Effects on Mail, RISC-RI-23-004, 4/20/2023

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

The Inspector General Empowerment Act of 2016 requires that the OIG 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 2023 Review of Form 10Q - Quarter 2, 23-093-R23, 5/3/2023

Fiscal Year 2023 Review of Form 10Q - Quarter 3, 23-132-R23, 8/2/2023

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 – September 30, 2023

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	2	—	—	—	—
Finance, Pricing & Human Capital	—	—	—	—	—
Inspection Service, Technology & Services	1	—	—	—	—
Mission Operations	—	—	—	—	—
Retail, Marketing & Supply Management	—	—	—	—	—
Subtotal	**3**	**—**	**—**	**—**	**—**
Total	**3**	**—**	**—**	**—**	**—**

Reports with Quantifiable Potential Monetary Benefits

For the period: April 1 – September 30, 2023

There were no reports with quantifiable potential monetary benifits during this period.

Report Listing

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

For the period: April 1 – September 30, 2023

Field Operations

Financial Controls

Postal Regulatory Commission Acquisition Planning and Contracting Practices, 23-096-R23, 9/22/2023

Postal Regulatory Commission - Travel Expenses, 23-027-R23, 7/27/2023

Inspection Service, Technology & Services

Cybersecurity & Technology

Management of Postal Regulatory Commission's Smartphones, 23-024-R23, 6/26/2023

Appendix A: Summary Reports Issued

Summary

OIG audit teams conduct performance and financial audits, evaluations, and other reviews to address the business of the Postal Service, PRC, and the Peer Review.

For the period: October 1, 2022 – September 30, 2023

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	69	$12,000	$5,129,191	$62,261	$6,120
Finance, Pricing & Human Capital	24	$37,662,923	$848,205,398	$155,306,301	$172,000,000
Inspection Service, Technology & Services	7	$1,411,408	$992,602	$673,895	—
Mission Operations	16	—	$156,065,655	$145,060,454	$23,033,770
Retail, Marketing & Supply Management	14	—	$5,939,282	$176,642	—
Subtotal	**130**	**$39,086,331**	**$1,016,332,128**	**$301,279,553**	**$195,039,890**
RISC	8	—	—	—	—
PRC	3	—	—	—	—
*Peer Review	1	—	—	—	—
Total	**142**	**$39,086,331**	**$1,016,332,128**	**$301,279,553**	**$195,039,890**

*Note: See Appendix G for details.

Appendix B: Findings of Questioned Costs

For the Period: April 1 – September 30, 2023

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

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		11	$952,811,281	$248,513,343
Reports for which a management decision was made during the reporting period (i+ii)		11	$952,811,281	$248,513,343
Reports for which a management decision was made during the reporting period	(i) Disallowed	6	$730,559,158	$37,266,421
Reports for which a management decision was made during the reporting period	(ii) Not Disallowed	6	$222,252,123	$211,246,922
Reports for which no management decision was made by the end of the reporting period		—	—	—
Total		**11**	**$952,811,281**	**$248,513,343**

Appendix C: Findings Recommendations That Funds Be Put to Better Use

For the Period: April 1 – September 30, 2023

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 FPTBU
Reports for which no management decision was made in the beginning of the reporting period	—	—	—
Reports issued during the reporting period	—	4	$39,086,331
Reports for which a management decision was made during the reporting period (i+ii):	—	4	$39,086,331
(i) Recommendations that were agreed to by management	—	3	$414,432
(ii) Recommendations that were not agreed to by management	—	2	$38,671,899
Reports for which no management decision was made by the end of the reporting period	—	—	—
Total	**—**	**4**	**$39,086,331**

Appendix D: Other Impacts

For the Period: April 1 – October 31, 2023

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	
Unsecured Assets at the Washington Network Distribution Center, 22-185-1-R23, 6/28/2023	1
Capping Report - Efficiency of Selected Processes at Select Retail Units, California 6 District, 23-067-R23, 7/7/2023	1
Capping Report – Ohio 2 District: Controls Over Retail Transactions, 23-106-R23, 8/11/2023	3
Assets or Accountable Items at Risk Total	**5**
Data Integrity	
Competitive Products Billing Determinants: Priority Mail, 22-217-R23, 5/15/2023	1
Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN, 23-099-R23, 6/27/2023	1
Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL, 23-049-R23, 4/10/2023	1
Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA, 23-112-R23, 8/17/2023	1
Parcel Select Billing Determinants Process and Procedures, 23-111-R23, 9/18/2023	1
Repair and Maintenance of Package Sorting Machines at Delivery Units, 23-089-R23, 8/10/2023	1
Review of USPS Sorting and Delivery Centers Opened in Quarter 1 and 2 of FY 2023, 23-062-R23, 9/12/2023	1
Data Integrity Total	**7**
Goodwill Branding	
Transportation Workplace Safety and Driver Security, 23-055-R23, 9/26/2023	7
Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN, 23-099-R23, 6/27/2023	5
Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL, 23-049-R23, 4/10/2023	1
Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA, 23-112-R23, 8/17/2023	4
Mail Delivery, Customer Service, and Property Condition Reviews - Select Units, Florida 3 District, 23-050-R23, 5/15/2023	7
Mail Delivery, Customer Service, and Property Condition Reviews - Select Units, Maine, New Hampshire and Vermont District, 23-076-R23, 6/21/2023	9
Package Tracking Messaging, 22-159-R23, 5/11/2023	1
Tennessee District: Delivery Unit Operations, 23-100-R23, 8/21/2023	10
U.S. Postal Service's Plans to Resolve Post Office Suspensions, 21-239-R23, 5/17/2023	1
Review of USPS Sorting and Delivery Centers Opened in Quarter 1 and 2 of FY 2023, 23-062-R23, 9/12/2023	2
Goodwill Branding Total	**47**
Improved Services	
Mail Delivery, Customer Service, and Property Condition Reviews - Select Units, Florida 3 District, 23-050-R23, 5/15/2023	8
Mail Delivery, Customer Service, and Property Condition Reviews - Select Units, Maine-New Hampshire-Vermont District, 23-076-R23, 6/21/2023	10
Review of USPS Sorting and Delivery Centers Opened in Quarter 1 and 2 of FY 2023, 23-062-R23, 9/12/2023	2
Tennessee District: Delivery Unit Operations, 23-100-R23, 8/21/2023	11
U.S. Postal Service's Plans to Resolve Post Office Suspensions, 21-239-R23, 5/17/2023	2
Improved Services Total	**33**

Appendix D: Other Impacts

Description and Reports	Number of Recommendations
Predicted Savings Shortfall	
Postal Service's Use of Automated Guided Vehicles, 23-057-R23, 8/17/2023	1
Predicted Savings Shortfall Total	**1**
Revenue at Risk	
Manual Plant Verified Drop Shipments: Atlantic Area, 22-113-R23, 4/6/2023	1
Revenue at Risk Total	**1**
Safety and Security	
Transportation Workplace Safety and Driver Security, 23-055-R23, 9/26/2023	7
Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN, 23-099-R23, 6/27/2023	2
Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA, 23-112-R23, 8/17/2023	1
Review of USPS Sorting and Delivery Centers Opened in Quarter 1 and 2 of FY 2023, 23-062-R23, 9/12/2023	2
Unsecured Assets at the Washington Network Distribution Center, 22-185-1-R23, 6/28/2023	1
Safety and Security Total	**13**
Total	**107**

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

Transportation Workplace Safety and Driver Security, 23-055-R23, 9/26/2023

Appendix D: Other Impacts – Postal Regulatory Comission

For the Period: April 1 – October 31, 2023

Overview

Many of our audit reports identify areas for improvements that result in non-monetary benefits to the Postal Regulatory Commission. These benefits include improvements to service, protection of assets, and reliability of data.

Description and Reports	Number of Recommendations
Improved Services	
Management of Postal Regulatory Commission's Smartphones, 23-024-R23, 6/26/2023	1
Improved Services Total	**1**
IT Security	
Management of Postal Regulatory Commission's Smartphones, 23-024-R23, 6/26/2023	8
IT Security Total	**8**
Total	**9**

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

None during the reporting period.

Appendix E: Reports with Recommendations Pending Corrective Actions

For the period: April 1 – September 30, 2023

As required by the IG Act, as amended, the following pages include a list of outstanding unimplemented recommendations and the monetary impact of those recommendations.

Report Number	Issue Date	Report Title	Recommendation Summary *R = Recommendation Number* *TID = Target Implementation Date*		Monetary Impact
IT-AR-17-003	4/5/17	Privileged Account Management	*R-2*	Develop and continuously maintain a complete and accurate listing of privileged accounts for Postal Service systems. TID: September 2024.	—
			R-3	Define business practices and responsibilities for monitoring privileged accounts and implement privileged access management tools. TID: September 2024.	—
IT-AR-17-007	9/18/17	Insider Threat Program	*R-1*	Continue to develop and fully implement an insider threat program for national security information in accordance with National Insider Threat Policy minimum standards. TID: March 2024.	—
			R-2	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: March 2024.	—
19-017-R20	8/17/20	Controls Over Purchasing and Maintaining Information Technology Equipment	*R-2*	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: February 2024.	—
20-156-R20	9/30/20	Payments to Injured Employees	*R-2*	Enhance the Enterprise Management Resource System and the Time and Attendance Collection System, respectively, to automatically calculate days of continuation of pay per employee and limit supervisor's ability to enter continuation of pay hours when the 45-day limit is reached. TID: April 2024.	$37,213
20-076-R21	12/29/20	Accenture Information Technology Contracts	*R-2*	Update the Supplying Principles and Practices to require an evaluation of the cost management plan as part of the noncompetitive purchase request process before approving contract ceiling price increases and to require contracting officers complete training on the policy requirements for the cost management plan. TID: November 2023.	—
21-032-R21	6/16/21	COVID-19 Leave Administration	*R-2*	Modify the system to allow for all employees to digitally complete Postal Service Form 3971, *Request for Notification of Absence*. TID: January 2024.	—
			R-3	Modify the payroll systems or develop another methodology for accurate recording of administrative leave for rural carriers. TID: September 2024.	—
20-281-R21	7/29/21	Contract Invoice Payment Process	*R-4*	Update the Commodity-Specific Practices for Design and Construction Purchasing in the Supplying Principles & Practices to reflect current procedures and references. TID: November 2023.	—
21-019-R21	9/9/21	Noncompetitive Contracts	*R-5*	Update Management Instruction SPS2-2015,1, *Noncompetitive Purchases*, to provide more specific guidance to assist internal business partners in completing and fully supporting documentation submitted to the contracting officer. TID: November 2023.	—
21-064-R21	9/22/21	Fiscal Year 2020 Board of Governors' Expenditures	*R-1*	Develop and provide training and formal communication to all purchasing teams on policies and procedures, including required file documentation, for sensitive requests. TID: November 2023.	—
21-215-R22	1/12/22	Next Generation Delivery Vehicles - Contract Clauses	*R-3*	Develop a contract clause to include in applicable future contracts that requires suppliers self-reporting of fraud and advertising of the U.S. Postal Service Office of Inspector General Hotline on suppliers' premises. TID: November 2023.	—
22-034-R22	3/30/22	Deposit by Mail Controls at the U.S. Postal Service	*R-1*	Properly address all remaining security deficiencies identified by the Postal Inspection Service within 30 working days of identification, as required by Postal Service policy. TID: July 2024.	—
22-061-R22	4/8/22	Efficiency of Operations at the Margaret L. Sellers San Diego, CA, Processing and Distribution Center	*R-2*	Implement a plan to process the First-Class Small Parcels and Rolls to meet clearance times and eliminate delayed mail at the Margaret L. Sellers, San Diego, CA Processing and Distribution Center. TID: March 2024.	—
21-229-R22	4/14/22	Mail Transport Equipment	*R-5*	Update Handbook PO-502, *Mail Transport Equipment*, to establish a comprehensive audit policy addressing the audit frequency and threshold for Postal Service facilities and mailers subject to audits and documenting audit results. TID: February 2024.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title		Recommendation Summary *R = Recommendation Number* *TID = Target Implementation Date*	Monetary Impact
21-240-R22	5/4/22	Transfer of Mail Processing Operations from Selected Facilities	*R-1*	Develop a policy that defines and provides guidance for executing operational mail moves, which includes the requirement to perform formal analysis of potential impact and identifying risks and opportunities. TID: February 2024.	—
21-255-R22	5/27/22	U.S. Postal Service Knowledge Continuity	*R-4*	Update Management Instruction, EL-384-2014-1, *Corporate Succession Planning*, to reflect current agency systems and standards, and establish a schedule to review on a regular basis. TID: June 2022.	—
21-264-R22	5/27/22	Supplier Qualification	*R-2*	Update Supplying Principles & Practices to require contracting officers to identify key personnel by name and labor category and document qualification approval in the contract file at contract award and when issuing modifications of key personnel substitutions. TID: February 2024.	—
21-224-R22	7/6/22	Assumptions and Metrics Underlying the Delivering for America 10-Year Plan	*R-2*	Enhance the *Delivering for America Plan's* website, to provide comprehensive communications regarding plan progress, status of ongoing initiatives, future plans, and outcomes. TID: October 2023.	—
21-243-R22	8/8/22	Improving Service Performance and Mail Processing Efficiencies at Historically Low Performing Facilities	*R-1*	Evaluate efficiency at the 10 facilities to identify inefficiencies in the 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. TID: September 2026.	$82,429,376
21-205-R22	8/15/22	State of Cybersecurity	*R-2*	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: October 2023.	—
21-261-R22	8/17/22	Management of Suppliers' Contractual Performance	*R-4*	Update its Supplying Principles and Practices to require contracting officers to obtain either digital signature or original signature on fully executed contract awards, purchase plans, award recommendations, and orders placed under ordering agreements, and require these documents to be filed in the Contract Authoring Management System. TID: November 2023.	—
22-111-R22	8/29/22	Efficiency of Processing Operations and Service Performance in Western Maryland	*R-1*	Conduct a study to determine if moving mail processing operations for 3-digit ZIP Codes beginning with 215 and 267 from the Baltimore Processing & Distribution Center to other processing facilities would be more efficient and effective, and provide better service performance. TID: October 2023.	—
22-037-R22	9/19/22	U.S. Postal Inspection Service's Oversight of Facility Security and Access Control	*R-1*	Establish a facility security level determination process that considers all six factors in the Risk Management Process Standard. TID: January 2024.	—
			R-2	Redesign the baseline level of protection process to align with the Risk Management Process Standard, to include establishing a baseline level of protection for each facility security level and regularly reassessing the baseline level of protection. TID: January 2024.	—
			R-3	Update the *Vulnerability Risk Assessment Tool User Guide* to provide specific guidance on responding to identified security deficiencies. TID: January 2024.	—
22-093-R22	9/26/22	Election Mail Readiness for the 2022 Mid-Term Elections	*R-2*	Develop and implement an official guidebook for processing of Election Mail prior to 2024 primary elections. TID: January 2024.	—
22-079-R22	9/27/22	Timecard Administration Follow-up	*R-3*	Resolve system deficiencies that allow supervisors to bypass completing the time disallowance record by implementing system controls to ensure all required fields are completed once the affected employee is notified. TID: July 2024.	$1,612,467
22-076-R22	9/28/22	COVID-19 Test Kit Distribution	*R-1*	Strengthen final reconciliation processes for all costs and revenue associated with COVID-19 test kit distribution to ensure accuracy of accounting and reimbursement or payment to the Department of Health and Human Services. TID: June 2024.	—
22-090-R22	9/28/22	Alaska Mail Services	*R-1*	Develop a plan to complete the evaluation and implementation of a solution that will provide visibility over mail movement in Alaska. TID: October 2023.	—
22-069-1-R23	10/13/22	Key Issues with Channel Partners	*R-4*	(1) Develop and formalize a technical process, which includes the detailed calculation of all chargeback opportunities for Channel Partners and a quality assurance process, and (2) consider retroactively calculating and invoicing Resellers for the correct chargeback amounts for previous periods. TID: September 2023.	—
21-262-R23	12/16/22	Delivery Operations - Undelivered and Partially Delivered Routes	*R-2*	Enhance processes and tools to notify customers of delayed mail and undelivered and partially delivered routes. TID: May 2025.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
21-173-R23	1/9/23	U.S. Postal Service's Response to Sexual Harassment Complaints	R-2	Develop a verifiable process for all sexual harassment complaints from multiple systems to be accurately collected, monitored, and analyzed in accordance with Equal Employment Opportunity Commission requirements.	—
			R-3	Implement system controls to require an issue code and issue description for cases processed in the Grievance and Arbitration Tracking System and issue guidance to staff to reiterate grievance case file retention requirements. TID: December 2023.	—
			R-5	Update *Publication 552* to require validation that managers and supervisors have completed required training before they initiate an Initial Management Inquiry Process. TID: September 2023.	—
22-207-R23	1/10/23	Efficiency of Operations at the Philadelphia Processing and Distribution Center, Philadelphia, PA	R-1	Identify and implement strategies to increase the number of maintenance employees who can perform preventative maintenance at the Philadelphia Processing and Distribution Center. TID: November 2023.	—
			R-4	Identify and implement strategies to increase the number of active Postal Vehicle Service drivers at the Philadelphia Processing and Distribution Center. TID: November 2023.	—
22-006-R23	2/23/23	Voyager Fleet Card Program	R-1	Establish a prerequisite for site managers to take required training before they are granted access to Fleet Commander Online and the Fuel Asset Management System. TID: March 2024.	—
			R-2	Create periodic refresher training for all site managers and require remediation training for site management oversight failures. TID: March 2024.	—
23-029-R23	3/20/23	Fiscal Year 2022 Capping Report - Mail Delivery, Customer Service, and Property Condition Reviews - Central Area	R-1	Assign personnel at the district level to verify that fire extinguishers are properly inspected and develop a program to monitor the completion of monthly and annual fire extinguisher inspections. TID: February 2024.	—
22-158-R23	3/22/23	International Mail Service Suspension Operations	R-2	Develop a scan event code for internationally suspended mailings and corresponding processes and messaging. TID: June 2024.	—
22-160-R23	3/24/23	Contractor - Labor Qualifications	R-2	Seek reimbursement for services received on task orders that were rendered by unqualified resources. TID: February 2024.	$5,687,707
22-187-R23	3/27/23	Service Performance of Election Mail for the 2022 Midterm Elections	R-1	Develop a plan to analyze costs associated with the processing and delivery of Election Mail and explore opportunities to be compensated for the implementation of Election Mail key practices and extraordinary measures. TID: December 2023.	$23,033,770
			R-2	Evaluate if all current Election Mail policies are necessary and eliminate redundancies. TID: November 2023.	—
22-107-R23	4/6/23	Next Generation Delivery Vehicles – Environmental Impact Statement	R-1	Include an evaluation of more alternatives in the Supplemental Environmental Impact Statement that are technically and economically feasible and meet the purpose and need for the proposed action. TID: December 2023.	—
			R-2	Update the total cost of ownership analysis in the Supplemental Environmental Impact Statement, such as incorporating more current and/or regionally based data. TID: December 2023.	—
			R-3	Update the environmental analysis assumptions in the Supplemental Environmental Impact Statement to more fully reflect Next Generation Delivery Vehicles emissions. TID: December 2023.	—
23-049-R23	4/10/23	Efficiency of Operations at the Miami Processing and Distribution Center, Miami, FL	R-3	Verify that a Zero Base review is completed and related actions are implemented at the Miami Processing and Distribution Center. TID: November 2023.	—
22-180-R23	4/18/23	Postal Service's Non-Career Employee Turnover Follow-up	R-3	Establish an official process that requires performance evaluations to be conducted and documented during rural carrier associates' probationary periods. TID: November 2023.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
22-081-R23	4/20/23	Distribution of Repair and Maintenance Resources	R-1	Develop a plan to identify all repair and maintenance costs at the retail facility level. TID: March 2024.	—
			R-2	Direct personnel to record all repair work and associated costs at retail facilities in the appropriate data systems, in accordance with Postal Service policy. TID: March 2024.	—
			R-3	Prioritize and develop a plan to address all outstanding building safety, security, and maintenance issues identified at facilities selected by the Office of Inspector General. TID: March 2024.	—
23-050-R23	5/15/23	Mail Delivery, Customer Service, and Property Condition Reviews - Select Units, Florida 3 District	R-8	Address all outstanding building safety, security, and maintenance issues identified at the Princeton Branch. TID: January 2024.	—
21-239-R23	5/17/23	U.S. Postal Service's Plans to Resolve Post Office Suspensions	R-1	Update policies and procedures applicable to the post office suspension process to reflect current organizational structure and assigned responsibilities. TID: October 2023.	—
			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. TID: January 2024.	—
			R-3	Develop and implement formally documented quality assurance processes over the data in the post office suspension tracking system. TID: October 2023.	—
23-099-R23	6/27/23	Efficiency of Operations at the Memphis Processing and Distribution Center and Mail Processing Annex, Memphis, TN	R-6	Coordinate to develop and implement a plan to verify load scanning at the Memphis Processing and Distribution Center and Mail Processing Annex is consistently completed in accordance with policy. TID: November 2023.	—
			R-8	Repair or replace all damaged dock plates at the Memphis Processing and Distribution Center. TID: January 2024.	—
22-185-1-R23	6/28/23	Unsecured Assets at the Washington Network Distribution Center	R-4	Instruct the Manager, Washington Network Distribution Center, to develop and implement an action plan to address all exterior portable structure safety and maintenance issues identified during our audit. TID: November 2023.	—
22-166-R23	6/29/23	Flats Cost Coverage	R-1	Collaborate with stakeholders from the mailing industry to develop and implement initiatives with specific, measurable objectives to directly reduce Flats costs and address the causes of inefficiencies in Flats operations identified by the Postal Regulatory Commission. TID: January 2024.	—
22-088-R23	7/3/23	Contract Authoring Management System (CAMS) Utilization and Controls	R-1	Update policies to more clearly define which documents are required in the task orders files and reinforce oversight requirements through formal communication and mandatory trainings. TID: February 2024.	—
			R-2	Update the Supplying Principles and Practices and supplemental guidance to ensure required contract documents are stored in the applicable contracting system. TID: February 2024.	—
			R-3	Implement a standardized process for all portfolios to include a completed Contract Award File Review checklist, signed by the contracting officer, in the contract file to ensure all required supporting documents for task order files are uploaded in the Contract Authoring Management System. TID: February 2024.	—
23-018-R23	7/5/23	Cremated Remains	R-3	Update the cremated remains acceptance procedures requiring retail clerks to place Cremated Remains packages in individual Priority Mail Express sacks at acceptance. TID: March 2024.	—
			R-5	Evaluate the feasibility of requiring customers to use the Cremated Remains kit boxes when shipping cremated remains and revise policy as appropriate.	—
22-175-R23	7/7/23	Mobile Delivery Device Security Controls Assessment	R-4	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: November 2023.	—
23-025-R23	7/13/23	Service Performance During the FY 2023 Peak Mailing Season	R-1	Develop measurable targets to address increases in customer inquiries during peak season.	—
23-031-R23	7/13/23	Efficiency of Surface Transfer Centers in the Western Pacific Region	R-2	Add all contractual Key Performance Indicators to the Surface Transfer Center Report Card.	—
			R-3	Require local Surface Transfer Center officials to submit Postal Service Form 6166 to the supplier and to Headquarters management for increased visibility and decision making when performance targets are not met.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
22-177-R23	08/03/2023	Management of Postal Service Smartphones	R-1	Develop guidance to maintain an accurate, comprehensive, and up to date internal inventory of smartphones in accordance with policies. At a minimum, the guidance should include roles and responsibilities, frequency, and requirements for documenting evidence of reviews. TID: October 2023.	$84,555
			R-2	Conduct an inventory of the Postal Service's current smartphones to be used as the baseline in Solution for Enterprise Asset Management before implementing the new system. TID: December 2023.	—
			R-3	Develop a process to validate and confirm performance of inventory reviews by telecommunication contractors, as required by contractual agreements. TID: December 2023.	—
			R-4	Develop a standard process to review the invoices for service level agreements and verify the accuracy of the contractor's delivery on a quarterly basis. TID: December 2023.	—
			R-5	File a claim, as appropriate, for the missed Inventory service level agreement the contractor reported, but did not credit the Postal Service for, as required by the contract statement of work. TID: December 2023.	$589,340
			R-6	Update guidance and define specific responsibilities governing refreshing of unsupported smartphones, to include a process for identifying and replacing them. TID: October 2023.	—
			R-7	Replace all unsupported smartphones with supported smartphones. TID: April 2024.	—
			R-8	Develop a process to validate that cellular services for employees who have departed the organization are canceled timely. TID: December 2023.	—
			R-9	File a claim, if appropriate, for the overcharges the contractor invoiced and was paid for the separated employees. TID: December 2023.	$318,707
23-089-R23	8/10/23	Repair and Maintenance of Package Sorting Machines at Delivery Units	R-1	Instruct the Philadelphia Processing & Distribution Center to perform and confirm completion of all required preventive maintenance on a consistent basis on the Automated Delivery Unit Sorter at Paschall Station. TID: October 2023.	—
			R-2	Provide ongoing informal training for SDUS clerks by a subject matter expert or on-the-job trainer at the unit, where the trainer can instruct personnel in the proper procedures for daily preventive maintenance for the Small Delivery Unit Sorter. TID: September 2024.	—
			R-3	Widely distribute — to include delivery units with package sorting equipment — a policy on the proper usage of emergency stop buttons. TID: October 2023.	—
			R-5	Require anyone assigned to operate package sorting machines within delivery units to receive training on the proper operation of that machine — including start up and shut down procedures and inducting mail onto the machine. TID: October 2023.	—
			R-6	Complete the ongoing project to effectively track and document changes, including the deployment of new equipment across the Postal Service network, to ensure that all machines are entered into Electronic Maintenance Activity Reporting and Scheduling timely. TID: January 2024.	—
			R-7	Consider directing local management at the four delivery units visited to develop and maintain a method of communication between operations and maintenance personnel to improve knowledge transfer of identified issues and solutions. TID: January 2024.	—
23-057-R23	8/17/23	Postal Service's Use of Automated Guided Vehicles	R-1	Develop and execute a plan to evaluate Automated Guided Vehicle locations, and require and monitor usage to improve performance. TID: October 2023.	$28,832,154
			R-2	Train and share best practices and usage goals with personnel at processing facilities that will have Automated Guided Vehicles to improve performance. TID: October 2023.	—
			R-3	Direct responsible personnel to confirm the accuracy of Automated Guided Vehicle capital asset listings and update information in the Solution for Enterprise Asset Management system and maintenance system records. TID: January 2024.	—

Report Number	Issue Date	Report Title		Recommendation Summary *R = Recommendation Number* *TID = Target Implementation Date*	Monetary Impact
23-112-R23	8/17/23	Efficiency of Operations at the New Orleans Processing and Distribution Center, New Orleans, LA	R-1	Document Priority Mail Express delays in the Mail Arrival Quality/Plant Arrival Quality system and coordinate with the Louisiana District Manager to resolve the Priority Mail Express issues. TID: October 2023.	—
			R-2	Develop and implement a process to verify delayed mail count procedures are followed. TID: October 2023.	—
			R-3	Coordinate with plant management to train clerks and supervisors at the New Orleans Processing and Distribution Center on proper mail flow procedures in processing operations and verify these procedures are followed. TID: October 2023.	—
			R-4	Initiate the corrective action process with contractors not meeting their delivery schedules, as required by the Postal Operations Manual. TID: January 2024.	—
			R-5	Coordinate to develop and implement a plan to verify load scanning at the New Orleans Processing and Distribution Center is consistently completed in accordance with policy. TID: April 2024.	—
			R-6	Verify all drivers are using wheel chocks at the New Orleans Processing and Distribution Center. TID: October 2023.	—
23-085-R23	8/31/23	Kansas City Delayed Mail	R-1	Re-evaluate staffing levels and implement a plan to timely hire and retain employees.	—
			R-2	Assess employee absenteeism for common trends and develop a process to reduce truancy.	—
			R-3	Develop and implement a plan to verify delayed mail is accurately recorded in the Delivery Condition Visualization and Mail Condition Visualization systems and monitor for completion. This plan should include training employees responsible for daily reporting of delayed mail. TID: January 2024.	—
			R-4	Require management to review package scanning performance daily and enforce compliance at all postal facilities. TID: January 2024.	—
			R-5	Develop and implement a plan to verify arrow key inventories are conducted and certified in the Retail and Delivery Applications & Reports system in accordance with policy. When implemented, communicate to appropriate management. TID: November 2023.	—
			R-6	Develop and implement a plan to verify arrow keys are available and secured in accordance with policy.	—
23-036-R23	9/5/23	Return on Investment for Capital Projects	R-1	Extend the tracking and compliance reporting period for capital projects, based on asset type and dollar amount, to better assess the project's success. TID: August 2024.	—
			R-2	Develop a centralized repository enabling management to access pertinent project documentation for effective tracking and reporting. TID: August 2024.	—
23-066-R23	9/11/23	The Single Induction Package Sorter Machine Deployment and Performance	R-2	Develop and implement an official strategy for Single Induction Package Sorter machines to address underutilized machines. TID: March 2024.	$38,310,811
23-062-R23	9/12/23	Review of USPS Sorting and Delivery Centers Opened in Quarter 1 and 2 of FY 2023	R-1	Develop and implement policy to ensure all future Sorting and Delivery Center plans are consistently and clearly communicated and stakeholders are given the opportunity to report concerns. TID: March 2024.	—
			R-2	Develop a plan to ensure restroom, breakroom, and locker room construction projects are completed prior to opening Sorting and Delivery Centers, or that there are acceptable alternatives, given the number of employees impacted, and that the alternatives meet all health and safety requirements. TID: March 2024.	—
			R-3	Evaluate whether construction projects related to the seven facilities were completed and develop a plan to address all outstanding construction and safety issues. TID: June 2024.	—
			R-4	Identify the cause of late Post Office Box up-times and take necessary action to ensure up-times are met. Additionally, develop a plan to mitigate issues with Post Office Box up-times prior to opening future sorting and delivery centers. TID: March 2024.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title	Recommendation Summary *R = Recommendation Number* *TID = Target Implementation Date*		Monetary Impact
23-035-R23	9/14/23	Progress Made to Reduce Mail Excluded from Service Measurement	R-1	Explore and evaluate options to incentivize mailers to resolve mail exclusions. TID: June 2024.	—
			R-2	Communicate and provide training to Full-Service mailers on the online portal and exclusion tool, and on how to identify root causes and resolve mail exclusions. TID: March 2024.	—
			R-3	Develop and implement a strategy to track, identify, and record Service Performance Measurement defect codes and root causes.	—
			R-4	Evaluate the feasibility of providing exclusion information at the mailpiece level to enable mailers to reduce Service Performance Measurement exclusions. TID: March 2024.	—
23-072-R23	9/14/23	The Path Forward for the Postal Service Loyalty Program	R-1	Establish performance targets aligned with the key objectives of a new loyalty program and establish parameters to actively monitor progress for effective program management. TID: September 2024.	—
			R-2	Develop a comprehensive communication strategy for a new loyalty program that promotes awareness of functionality for prospective, and once enrolled, ongoing customers. TID: September 2024.	—
			R-3	Conduct an evaluation of customer spending requirements and discounts related to any future loyalty program to ensure the program's design promotes customer engagement and shipping growth. TID: September 2024.	—
23-111-R23	9/18/23	Parcel Select Billing Determinants Process and Procedures	R-1	Update the Parcel Select billing determinant standard operating procedures on a regular basis to ensure billing determinants are produced using documented, complete, and repeatable processes to validate contractor volume and revenue data and document criteria for when to refile billing determinants. TID: October 2023.	—
22-200-R23	9/22/23	Address Management System for Rural Routes	R-1	Develop an oversight process to hold delivery unit management accountable for submitting edit books timely and revise policy as needed. TID: November 2023.	—
			R-2	Develop a comprehensive training on the edit book process for new rural carriers. Additionally, develop refresher training and implement a plan for all rural carriers to complete the training periodically. TID: July 2024.	—
			R-3	Develop an oversight process for unit management to complete rural route inspections at least annually, to validate the accuracy of edit book activity in accordance with Postal Service policy. TID: July 2024.	—
			R-4	Develop a plan and update policy to require the use of the electronic system when submitting edit book updates. TID: August 2024.	—
			R-5	Determine the feasibility of developing an all-electronic edit book to replace current physical edit books. If feasible, develop a plan and implement policy requiring the use of electronic edit books. TID: August 2024.	—
23-092-R23	9/25/23	Terminal Handling Services Modernization – Phoenix, AZ	R-1	Refine and reissue Key Performance Indicators associated with in-house Terminal Handling Services operations, to include conducting a study to formalize the density goal for container utilization and developing timeliness goals for mail volume arriving at the Terminal Handling Services from processing.	—
			R-2	Perform periodic review of the density goal and communicate updated goals as needed. TID: November 2023.	—
			R-3	After issuance of the Key Performance Indicators, direct plant management to monitor daily operations and processing of mail to meet the Terminal Handling Services goals. TID: December 2023.	$11,005,201
			R-4	Direct plant management to re-evaluate the operating windows to make changes which may improve timely arrival of mail at the Terminal Handling Services. TID: January 2024.	—
			R-5	Direct plant management to perform periodic reviews to verify the scale is functional and Terminal Handling Services personnel are weighing containers and accurately recording container weights. TID: January 2024.	—
			R-6	Conduct an after-action review, and implement lessons learned to increase operational efficiency and management oversight in future transitions.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title		Recommendation Summary *R = Recommendation Number* *TID = Target Implementation Date*	Monetary Impact
23-055-R23	9/26/23	Transportation Workplace Safety and Driver Security	*R-1*	Develop and implement an action plan, with milestones and measurable goals, to address all Highway Contract Route security clearance status issues identified during our site observations.	—
			R-2	Require Administrative Officials to conduct periodic reviews to confirm all drivers have current security clearance documents, and create a follow-up process to timely address any identified issues. TID: October 2023.	—
			R-3	Issue supplemental guidance to facility management on the importance of enforcing policy that requires all drivers to have valid and properly displayed identification badges.	—
			R-4	Develop a national training program for expeditors to increase awareness of the requirements and importance of recording driver information and the Postal Service Form 5500 in Surface Visibility for drivers without identification badges.	—
			R-5	Develop a formal process to track and monitor that the expeditors are consistently recording Postal Service Form 5500 when Highway Contract Route drivers arrive without valid identification badges. TID: October 2023.	—
			R-6	Issue supplemental guidance directing facility management to enhance oversight by enforcing and monitoring compliance of the identified safety and security deficiencies.	—
			R-7	Re-issue guidance and reiterate the importance of consistently observing Postal Vehicle Service drivers' driving practices after an accident. TID: October 2023.	—
			R-8	Develop and implement an action plan with milestones and measurable goal to address all remaining open safety and security maintenance items identified during our site observations.	—
			R-9	Develop a plan to perform periodic reviews to identify and address safety- and security-repair issues, and to track completion of work orders in a timely manner.	—
23-033-R23	9/27/23	Postal Service Customer Experience - Delivery Surveys	*R-1*	Enhance contracting officer oversight to ensure suppliers adhere to contract terms, particularly those for requisite product inclusion, non-response bias mitigation, and address quality assessment completion. TID: January 2024.	$74,933
			R-2	Conduct a cost, benefit, and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.	—
23-065-R23	9/27/23	Penalty Overtime	*R-1*	Implement consistent oversight procedures for facility management to verify penalty overtime transactions are being cleared before the pay week closes at each facility using the *Missing 091 Transaction Report*.	$140,856,063
			R-2	Reiterate policy on the use and daily clearing of the *Missing 091 Transaction Report* to ensure penalty overtime hours are categorized as authorized or unauthorized in the *Time and Attendance Collection System*. TID: October 2023.	—
			R-3	Reiterate and clarify management responsibilities to complete the Postal Service Form 1017-B, *Unauthorized Overtime Report*, to include closed pay weeks, and provide oversight to ensure compliance. TID: October 2023.	—
			R-5	Determine the feasibility of updating the Postal Service Form 1017-B, *Unauthorized Overtime Record*, to separate regular unauthorized overtime hours from unauthorized penalty overtime hours. TID: October 2023.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
22-178-R23	9/28/23	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.	—
			R-2	Provide new and acting managers and supervisors training on arrow key policies upon assuming their roles and maintain documentation of training attendance. TID: November 2023.	—
			R-3	Develop an oversight mechanism to hold managers and supervisors accountable for following established arrow key policy and training requirements. TID: November 2023.	—
			R-4	Finalize the Mail Theft Strategy that is under development by the end of calendar year 2023. TID: September 2024.	—
			R-5	Assess staffing resources available nationwide to support the Mail Theft Program and align resources with their Mail Theft Strategy.	—
			R-6	Require postal inspectors to complete the In-Service Basic Mail Theft training within one year of being assigned to a mail theft team.	—
			R-7	Work with the contracting officer to modify the existing contract and (1) define the Mail Theft Analytics Program purpose to improve complaint data quality and usefulness for division personnel, (2) develop internal controls such as guidance and an oversight mechanism, and (3) establish performance metrics to assess the effectiveness of the program.	$1,008,976
22-185-R23	9/29/23	Internal Controls Over the Annual Capital Property Review	R-1	Evaluate the internal controls for the annual capital property review to identify process improvements, add controls, and create a goal to enhance accuracy. In addition, update Handbook AS-701, *Asset Management*, to reflect any additional controls or goals implemented in the annual capital property review process. TID: June 2024.	—
			R-2	Reinforce the importance for facility management to issue timely, written material accountability officer delegation letters, and for newly assigned material accountability officers to conduct a physical inventory of capital assets, in accordance with Handbook AS-701, *Asset Management*. TID: February 2024.	—
22-194-R23	9/29/23	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.	—

Total Number of Reports: **69**

Total Number of Recommendations: **153**

Total Monetary Impact: **$333,881,273**

Appendix E: Reports with Recommendations Pending Corrective Actions — Postal Regulatory Commission (PRC)

For the period: April 1 – September 30, 2023

As required by the IG Act, as amended, the following pages include a list of outstanding unimplemented recommendations and the monetary impact of those recommendations

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
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. TID: September 2024.	—
			R-2	Develop and implement a tool, such as a checklist, to verify contracting personnel consistently complete, retain, and provide oversight of contract file documentation for each acquisition type. TID: September 2024.	—
			R-3	Update the purchasing policy to designate and clearly describe the roles and responsibilities of each individual involved in the acquisition planning and contracting process. TID: September 2024.	—
			R-4	Create a policy outlining comprehensive requirements to close contracts, including a checklist of closeout documentation. TID: September 2024.	—
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. TID: March 2024.	—
			R-3	Update the travel policy to reflect the needs of the Postal Regulatory Commission and align with agency priorities. TID: May 2024.	—
			R-4	Create a training program about the travel process and require employees that travel to complete this training and retake as needed when changes to the process occur. TID: May 2024.	—
23-024-R23	06/26/2023	Management of Postal Regulatory Commission's Smartphones	R-1	Develop a standard operating procedure for smartphones, documenting how inventories should be performed and outlining the key elements to record for each smartphone. TID: December 2023.	—
			R-2	Include smartphones in its automated asset discovery and vulnerability enumeration scans to comply with the *Cybersecurity and Infrastructure Security Agency Binding Operational Directive 23-01*. TID: March 2024.	—
			R-3	Develop and implement a smartphone security policy that aligns with *National Institute of Standards and Technology Special Publication 800-124*. TID: December 2023.	—
			R-4	Develop and provide training and awareness activities for smartphone users on smartphone threats, recommended security practices, and policies. TID: December 2023.	—
			R-5	Perform threat profile modeling for smartphones to identify cybersecurity risks specific to smartphones at the Postal Regulatory Commission. TID: March 2023.	—
			R-6	Develop and implement a standardized process for capturing and reviewing security logs that includes specific use cases to monitor for smartphones. TID: March 2023.	—
			R-8	Enroll all smartphones in a mobile device management program and enforce established configuration settings to include strong password credentials, restricted application downloads, automatic operating system patches, and data loss prevention measures. TID December 2023.	—
			R-9	Establish a utilization policy and operating procedures to review utilization data that better aligns with *Executive Order 13589*. TID: December 2023.	—

Appendix E: Reports with Recommendations Pending Corrective Actions — Postal Regulatory Commission (PRC)

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
20-02-A01	06/30/2022	PRC Purchase Card Expenses	R-3	Modify the purchasing policy to define split transactions and disciplinary actions related thereto. TID: September 2024.	—
			R-4	Update Postal Regulatory Commission purchase card policies and procedures to align with purchase card. TID: September 2024.	—
			R-7	Ensure there is proper segregation of duties between all employees involved in the purchase card process. TID: September 2024.	—
			R-9	Revise the policy to maintain consistency related to required purchase card reconciliation timeframe. TID: September 2024.	—
			R-14	Develop written policy and procedures for departing employees. TID: September 2024.	—

Total Number of Reports: **4**

Total Number of Recommendations: **20**

Total Monetary Impact: **$0**

For the period: April 1 – September 30, 2023

As required by the IG Act, the following discusses information concerning any significant management decision with which the Inspector General disagrees and is currently in audit resolution.

Report Number	Issue Date	Report Title	Recommendation Summary *R = Recommendation Number*		Monetary Impact
21-173-R23	1/9/23	U.S. Postal Service's Response to Sexual Harassment Complaints	R-2	Develop a verifiable process for all sexual harassment complaints from multiple systems to be accurately collected, monitored, and analyzed in accordance with Equal Employment Opportunity Commission requirements.	—
23-018-R23	7/5/23	Cremated Remains	R-5	Evaluate the feasibility of requiring customers to use the Cremated Remains kit boxes when shipping cremated remains and revise policy as appropriate.	—
23-025-R23	7/13/23	Service Performance During the FY 2023 Peak Mailing Season	R-1	Develop measurable targets to address increases in customer inquiries during peak season.	—
23-031-R23	7/13/23	Efficiency of Surface Transfer Centers in the Western Pacific Region	R-2	Add all contractual Key Performance Indicators to the Surface Transfer Center Report Card.	—
			R-3	Require local Surface Transfer Center officials to submit Postal Service Form 6166 to the supplier and to headquarters management for increased visibility and decision making when performance targets are not met.	—
23-085-R23	8/31/23	Kansas City Delayed Mail	R-1	Re-evaluate staffing levels and implement a plan to timely hire and retain employees.	—
			R-2	Assess employee absenteeism for common trends and develop a process to reduce truancy.	—
			R-6	Develop and implement a plan to verify arrow keys are available and secured in accordance with policy.	—
23-035-R23	9/14/23	Progress Made to Reduce Mail Excluded from Service Measurement	R-3	Develop and implement a strategy to track, identify, and record Service Performance Measurement defect codes and root causes.	—
23-092-R23	9/25/23	Terminal Handling Services Modernization – Phoenix, AZ	R-1	Refine and reissue Key Performance Indicators associated with in-house Terminal Handling Services operations to include conducting a study to formalize the density goal for container utilization and developing timeliness goals for mail volume arriving at the Terminal Handling Services from processing.	—
			R-6	Conduct an after-action review, and implement lessons learned to increase operational efficiency and management oversight in future transitions.	—
23-055-R23	9/26/23	Transportation Workplace Safety and Driver Security	R-1	Develop and implement an action plan, with milestones and measurable goals to address all Highway Contract Route security clearance status issues identified during our site observations.	—
			R-3	Issue supplemental guidance to facility management on the importance of enforcing policy that requires all drivers to have valid and properly displayed identification badges.	—
			R-4	Develop a national training program for expeditors to increase awareness of the requirements and importance of recording driver information and the PS Form 5500 in Surface Visibility for drivers without identification badges.	—
			R-6	Issue supplemental guidance directing facility management to enhance oversight by enforcing and monitoring compliance of the identified safety and security deficiencies.	—
			R-8	Develop and implement an action plan, with milestones and measurable goals, to address all remaining open safety and security maintenance items identified during our site observations.	—
			R-9	Develop a plan to perform periodic reviews to identify and address safety- and security-repair issues, and to track completion of work orders in a timely manner.	—
23-033-R23	9/27/23	Postal Service Customer Experience - Delivery Surveys	R-2	Conduct a cost, benefit, and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.	—
23-065-R23	9/27/23	Penalty Overtime	R-1	Implement consistent oversight procedures for facility management to verify penalty overtime transactions are being cleared before the pay week closes at each facility using the *Missing 091 Transaction Report*.	$140,856,063

Report Number	Issue Date	Report Title	Recommendation Summary *R = Recommendation Number*		Monetary Impact
22-178-R23	9/28/23	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.	—
			R-5	Assess staffing resources available nationwide to support the Mail Theft Program and align resources with their Mail Theft Strategy.	—
			R-6	Require postal inspectors to complete the In-Service Basic Mail Theft training within one year of being assigned to a mail theft team.	—
			R-7	Work with the contracting officer to modify the existing contract and 1) define the Mail Theft Analytics Program purpose to improve complaint data quality and usefulness for division personnel, 2) develop internal controls such as guidance and an oversight mechanism, and 3) establish performance metrics to assess the effectiveness of the program.	—
22-194-R23	9/29/23	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.	—

Total Number of Reports: **12**

Total Number of Recommendations: **25**

Total Monetary Impact: **$141,865,039**

Appendix G: Status of Peer Review Recommendations

For the period: April 1 – September 30, 2023

Federal audit organizations undergo an external quality control assessment by their peers every three years. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires an appendix reporting on 1) any OIG 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 Department of Veterans Affairs OIG for the period ending September 30, 2021, with a report date of September 14, 2021. There are no outstanding recommendations.

Peer Reviews Conducted by USPS OIG

During the reporting period, we conducted a review on the U.S. Department of Agriculture OIG The report was issued on September 19, 2023, with a rating of pass.

Peer Reviews Conducted on PRC OIG

The last peer review conducted on the PRC OIG was by the National Endowment of the Arts OIG for the period ending September 30, 2020, with a report date of March 29, 2021. There are no outstanding recommendations.

Peer Reviews Conducted by PRC OIG

The last peer review conducted by the PRC OIG was for the U.S. Capitol Police OIG for the period ending September 30, 2019, with a report date of December 28, 2020. There are no outstanding recommendations.

Office of Investigations

Peer Reviews Conducted on USPS OIG

None during the reporting period.

Peer Reviews Conducted by 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 pre-configured to present the following data:

A) The total number of investigative reports issued during the reporting period;

B) The total number of persons referred to the Department of Justice 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 – Setember 30, 2023

Program	Investigations Closed	Arrests	Indictments / Informations / Complaints	Convictions – Criminal	Admin Action Taken	Cost Avoidance	Fines, Restitution, and Recoveries	Amount to the Postal Service	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 / Information	Number of investigative reports issued	Convictions – Civil Settlements / Judgements	Referrals to USPS that were not Investigated
Computer Crimes	6	—	1	2	3	—	3,000	0	—	4	1	—	1	1	—	—
Contract Fraud	18	4	6	7	7	9,080,953	260,363,668	54,643,791	7	17	14	—	6	5	2	3
Financial Fraud	150	31	29	35	90	2,328,861	2,708,931	609,934	77	193	15	11	20	173	—	22
General Crimes	260	14	33	17	159	—	59,967	504,536	119	299	17	9	24	279	—	729
Healthcare Claimant Fraud	124	8	7	6	26	35,227,180	629,151	592,143	24	47	20	1	7	76	—	4
Healthcare Provider Fraud	16	3	6	6	11	186,296,454	115,462,808	37,788,302	—	—	—	—	6	6	1	—
Mail Theft	952	191	177	236	526	—	2,921,399	131,358	409	986	233	37	105	878		383
Narcotics	205	58	84	108	77	—	2,688,486	287,700	59	128	46	9	66	134	—	31
Special Inquiries Division	17	—	—	—	13	—	37,924	0	23	40	1	—	—	23	—	75
Total	**1,748**	**309**	**343**	**417**	**912**	**232,933,448**	**384,875,334**	**94,557,764**	**718**	**1,714**	**347**	**67**	**235**	**1,552**	**3**	**1,247**
PRC	—	1	2	1	—	—	790	—	—	—	—	—	—	—	—	—

Appendix H: Investigative Statistics

For the period: October 1, 2022 – September 30, 2023

Program	Investigations Closed	Arrests	Indictments / Informations / Complaints	Convictions – Criminal	Admin Action Taken	Cost Avoidance	Fines, Restitution, and Recoveries	Amount to the Postal Service	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 / Information	Number of investigative reports issued	Convictions – Civil Settlements / Judgements	Referrals to USPS that were not Investigated
Computer Crimes	9	1	1	2	4	—	3,000	0	4	4	2	1	1	5	—	2
Contract Fraud	41	6	8	13	14	15,181,455	267,774,074	58,097,510	17	17	27	—	8	14	5	7
Financial Fraud	280	45	49	60	206	3,028,861	4,731,823	1,814,681	193	193	50	22	36	312	—	37
General Crimes	519	42	62	42	349	—	427,611	522,975	299	299	53	23	45	526	4	1,381
Healthcare Claimant Fraud	217	14	12	10	60	64,948,829	1,222,029	1,185,021	47	47	35	3	10	140	—	9
Healthcare Provider Fraud	34	13	20	11	31	203,715,816	136,746,689	44,856,014	—	—	18	—	20	13	1	1
Mail Theft	1,794	399	368	419	1,093	—	9,150,913	259,443	986	986	500	88	241	1,626	—	763
Narcotics	444	136	158	255	165	—	3,325,583	370,689	128	128	113	44	124	253	—	45
Special Inquiries Division	41	—	—	—	23	—	37,924	0	40	40	3	—	—	41	—	178
Total	**3,379**	**656**	**678**	**813**	**1,945**	**286,874,961**	**423,419,646**	**107,106,333**	**1,714**	**1,714**	**801**	**181**	**485**	**2,889**	**10**	**2,423**
PRC	—	1	2	1	—	—	$790	—	—	—	1	1	2	—	—	—

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

For the period: April 1 – September 30, 2023

Type of Scheme	Complaints Filed	Consent Agreements	FROs	C&D Orders
Advance Fee	—	—	—	—
Counterfeit Check	—	—	—	—
Facsimile Checks	—	—	—	—
Failure to Pay	—	—	—	—
Failure to Render	—	—	—	—
Foreign Lottery	2	2	—	2
Investment Fraud	—	—	—	—
Invoice Schemes	1	1	1	1
Lottery	2	2	—	2
Medical Fraud – Other	—	—	—	—
Other	—	—	—	—
Psychic	—	—	—	—
Rebate and Refund	—	—	—	—
Reshipping Scheme	—	—	—	—
Sweepstakes	1	1	—	1
USPS Revenue Fraud	—	—	—	—
Identity Theft – Other	—	—	—	—
TOTAL	**6**	**6**	**1**	**6**

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	$222,572,455
VP Chief Inspector	Total Nonpersonnel Expense	$62,104,070
VP Chief Inspector	Total Operating Expense	$284,676,525
VP Chief Inspector	Total Capital Commitments	$12,789,747

Appendix J: Congressional/PMG/Board of Governors Inquiries

For the period: April 1 – September 30, 2023

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, 2023, through September 30, 2023, the OIG received 57 new inquiries. Out of the 57 inquiries, we referred 10 to the U.S. Postal Service Office of Government Relations and four to the Postal Inspection Service for review. We closed 52 inquiries during this reporting period. Out of those, 34 were reviewed by our Office of Investigations and eight were reviewed by our Office of Audit.

Appendix K: Attempt to Interfere with OIG Independence

For the period: April 1 – September 30, 2023

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 to report.

Supplemental Information

Freedom of Information Act

The OIG Freedom of Information Act (FOIA) Office operates independently of, but frequently coordinates with, its counterparts at the Postal Service and the Postal Inspection Service. The 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, 2023

Requests	Number of Requests
Carryover from prior period	7
Received during period	471
Total on hand during period	478

Actions	Number of Requests
Processed during the period	469
Requests denied in full	21
Requests granted in full	20
Requests senied in part	100
Duplicate request	2
Fee-related reasons	0
No records	47
Not an agency record	142
Not a proper FOIA request for some other reason	0
Requests referred	118
Requests withdrawn	19
Records not reasonably described	0

Balance	Number of Requests
Balance at the end of the period (pending)	9

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 range from sexual harassment and discrimination to workplace safety.

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 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, 2023

Total complaints reviewed and closed: **1089**

Whistleblower Reprisal Investigations

For the period: April 1 – September 30, 2023

Whistleblower Reprisal Activity	
Allegations received	119
OIG investigations initiated	4
Investigations closed with no action	6
Allegations closed with no action	116
OIG found reprisal	3

For the period: October 1, 2022 – September 30, 2023

Whistleblower Reprisal Activity	
Allegations received	206
OIG investigations Initiated	8
Investigations closed with no action	8
Allegations closed with no action	200
OIG found reprisal	3

Summary of Performance

For the period of April 1 – September 30, 2023

Audits	
Reports issued (excluding RARC/RISC white papers)	87
Recommendations issued	206
Total reports with financial impact	14
Funds put to better use	$39,086,331
Questioned costs	$952,811,281
Revenue impact	$0
Total	**$991,897,612**

OIG Hotline Contacts	
Telephone calls	13,234
Email	11,307
Webforms	55,683
Standard mail	868
Voicemail messages	9,227
Facsimile - FAX	163
Total Contacts	**90,482**

RARC/RISC White Papers	
White papers issued	3
Recommendations issued	0

Investigations[1]	
Investigations completed	1,772
Arrests	310
Indictments/informations	345
Convictions/pretrial diversions[2]	418
Administrative actions	922
Cost avoidance	$232,933,448
Fines, restitution, and recoveries	$384,876,124
Amount to the Postal Service[3]	$94,557,764

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).

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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 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	40-50
5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	54-55
5(a)(5)	Summary reports made to the head of the establishment under section 6(b)(2) of instances where information was refused	57
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, 28-39
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	28-35
5(a)(9)	Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use	36
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	35-36
5(a)(11)	Description and explanation of the reasons for any significant revised management decisions	51-52
5(a)(12)	Information concerning any significant management decisions with which the Inspector General disagreed	51-52
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	53
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	54-55
5(a)(18)	Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)	54
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	20
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	21-22
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	57
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	32

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 USPS or PRC employees and contractors
- Workers' compensation fraud
- Embezzlement 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

Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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