Retail Systems Continuity of Operations

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Highlights

Background

The U.S. Postal Service developed an overarching Continuity of Operations (COOP) plan that allows essential business functions to continue when there is a disruption of normal operations. In support of that plan, the Postal Service developed the Retail Systems COOP (Plan) to provide a methodology for continuing retail operations in the event of a complete Retail Systems Software (RSS) system failure or power or network outage. The Plan ensures that field retail operations provides a limited scope of products and services with minimal customer service impact if retail systems automated functions become unavailable. In fiscal year (FY) 2021 post office retail revenue was over $13 billion.

What We Did

Our objective was to determine whether field offices properly managed retail activities in the event of a disruption to RSS normal operations. We visited top retail units from all four Postal Service areas based on FY 2020 walk-in revenue data.

What We Found

Field office personnel did not always properly manage retail activities in the event of a disruption to RSS normal operations. Unit personnel did not always maintain required forms, support resources, and equipment to implement a manual process during an RSS system failure or power or network outage. In addition, unit personnel did not always contact appropriate personnel when an RSS disruption occurred. Further, they sometimes allowed Delivery Operations to take the lead by deploying the overarching Postal Service COOP even though it did not specifically include retail procedures. This occurred because there is no required training for headquarters, district, and unit personnel regarding their retail continuity responsibilities. Further, headquarters personnel did not adequately review, update, or distribute the Plan to field offices. As a result, the risk of revenue loss caused by future disruptions to retail operations increases.

Recommendations

We recommended management develop procedures to ensure the Retail Continuity of Operations Plan is reviewed, updated, and distributed annually; and develop and require annual Retail Systems Continuity of Operations training for all applicable headquarters, district, and unit personnel, including when changes to personnel occur.

Transmittal Letter

May 5, 2022

MEMORANDUM FOR: ELVIN MERCADO
VICE PRESIDENT, RETAIL AND POST OFFICE
OPERATIONS

Lorie Nelson

FROM: Lorie Nelson
Acting Deputy Assistant Inspector General
 for Finance & Pricing

SUBJECT: Audit Report – Retail Systems Continuity of Operations
(Report Number 21-063-R22)

This report presents the results of our audit of the U.S. Postal Service's Retail Systems Continuity of Operations.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Luisa Gierbolini, Acting Director, Finance, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service's Retail Systems Continuity of Operations (Project Number 21-063). Our objective was to determine whether field offices properly managed retail activities in the event of a disruption to Retail Systems Software (RSS)[1] normal operations. See Appendix A for additional information about this audit.

During any emergency or situation that may disrupt normal operations, a viable continuity capability must be in place to ensure continued performance of the Postal Service's primary mission essential function – **the delivery of postal services to the American public.**

Background

The Postal Service is at the core of the $1.6 trillion U.S. mailing industry. It has one of the world's largest computer networks linking more than 31,000 facilities[2] connecting more than 653,000 employees and hundreds of systems for the efficient processing and delivery of mail to everyone living in the U.S. and its territories. In fiscal year (FY) 2021 post office retail revenue was over $13 billion.

The Postal Service developed an overarching Continuity of Operations (COOP)[3] plan that allows essential business functions to continue when there is a disruption of normal operations. In support of the overarching COOP plan, the Postal Service developed the Retail Systems COOP[4] (Plan) to provide a methodology for continuing retail operations in the event of a complete RSS system failure or power or network outage. The Plan enables the resumption of minimum essential operations within 12 hours of an emergency, with or without warning, and sustains emergency operations for up to 30 days. It ensures that field retail operations provide a limited scope of products and services with minimal customer service impact if retail systems' automated functions become unavailable. The district Customer Relations manager[5] or unit manager must implement this plan when one of the following events takes place:

1. RSS does not power up (i.e., no logon screen) even though the office has power.

2. No electrical power is available for retail operations (in this failure scenario, employee/customer safety is the first priority).

3. The loss of connectivity (internet connection) also known as "Degraded Mode."

4. Notification from U.S. Postal Service Headquarters to shut down RSS.

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1   The software used at all retail locations that sell Postal Service products and services. It interfaces directly with approximately 24 other Postal Service systems.
2   Post offices, stations, and branches managed by the Postal Service.
3   *Postal Service Headquarters, Continuity of Operations Plan*, updated June 2016.
4   *Retail Systems Continuity of Operations Plan*, effective March 2016.
5   Known as district Marketing manager prior to the 2021 Postal Service restructuring.

It is the policy[6] of the Postal Service at every level to safely and quickly respond to and recover from any human, natural, or technological disruption, emergency, or threat to the mail infrastructure. During any emergency or situation that may disrupt normal operations, a viable continuity capability must be in place to ensure continued performance of the Postal Service's primary mission essential function – the delivery of postal services to the American public.

Finding Summary

Field offices did not always properly manage retail activities in the event of a disruption to RSS normal operations. Unit personnel did not always maintain required forms, support resources, and equipment to implement a manual process during an RSS system failure or power or network outage. In addition, unit personnel did not always contact appropriate personnel when an RSS system failure or power or network outage occurred. Further, they sometimes allowed Delivery Operations to take the lead by deploying the overarching Postal Service COOP even though it did not specifically include retail procedures.

This occurred because there is no required training for headquarters, district, and unit personnel regarding their retail continuity responsibilities. Further, headquarters personnel did not adequately review, update, or distribute the Plan to field offices. As a result, the risk of revenue loss caused by future disruptions to retail operations increases.

Finding #1: Field Office Retail Continuity of Operations Management

Field offices did not always properly manage retail activities in the event of a disruption to normal RSS operations. Specifically, unit personnel did not always adhere to Plan requirements for continuing retail operations during an RSS system failure or power or network outage. We visited 22 units and found that unit personnel did not always maintain or use required forms, support resources,[7] and

equipment to implement a manual process during an RSS system or power or network outage.[8] We found that:

- Eighteen units did not maintain some or all applicable Postal Service (PS) forms.[9]

- Employees at ten units stated that they used pieces of paper to track their stamp sales instead of a PS Form 1627, dated October 1972, because it was easier or they were not aware of which form to use.

- Three units provided customers with receipts using a PS Form 1096, Customer Receipt (for use by rural carriers and Highway Contract Routes only) instead of a PS Form 3544 because they thought this was the correct form. One unit stated that Marketing instructed them not to use PS Form 3544.

- Employees at twelve units did not maintain COOP folders for the required manual forms because they were not aware of the requirement. Two units[10] took corrective action as a result of our audit by designating a COOP filing cabinet or an area near the retail counter to maintain all resources needed during an RSS system failure or power or network outage.

- Employees at seventeen units did not maintain one or more of the applicable resources to use during manual transactions, such as the bad check list and price list. Personnel stated that the bad check list was too long to print or it was hard to keep up with the frequently issued Postal Bulletins. In addition, personnel at three units stated that they are no longer receiving specific emails from the district, which included attachments such as the bad check list.

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6   *Memorandum of Policy – Individual Headquarters Organizations' Continuity of Operations Planning*, July 23, 2019.
7   Includes the express mail network, *Postal Bulletins*, zone chart, Notice 123 - *Price List*, and a bad check list.
8   We noted multiple concerns at some of the units.
9   Includes PS Form 1093, Application for Post Office Box or Caller Service; PS Form 1412, Daily Financial Form; PS Form 1627, General Purpose Ruled Form; and PS Form 3544, Post Office Receipt for Money.
10 Saint Charles Main Post Office (MPO) and Saint Charles South Station.

- Employees at nine units did not maintain manual scales. Personnel at three units stated that they would use the manual scales available for sale to retail customers, if needed. In addition, two units did not have battery-operated calculators.

See Appendix B for details of our observations at field units.

Personnel at 17[11] of the 22 units visited indicated that they had experienced one or more system or power outages that disrupted normal retail operations. See Appendix C for actions taken by units during one or more disruptions of retail operations.

Unit personnel did not always contact appropriate personnel when disruptions occurred. They stated that they were not always aware of who to contact because roles and responsibilities have changed. Further, when they contacted the RSS or Accounting help desks, they experienced long wait times, so they did not always wait until they reached someone and turned to other departments for a resolution. Further, they sometimes allowed Delivery Operations to take the lead by deploying the overarching Postal Service COOP even though it does not specifically include retail procedures.

Unit management stated that having all applicable resources in one area would be helpful when disruptions occur. Having a designated area for all COOP resources would help ensure that unit personnel know where all the items are located when an RSS system failure or power or network outage occurs.

According to the Plan, each office must ensure that specific PS Forms, resources (such as manual scales and battery-operated calculators), and other documentation (including the bad check list) are maintained to conduct business manually.[12] Each office should print applicable forms and maintain them in a COOP folder. In addition, the Plan instructs unit personnel to track stamp sales on a PS Form 1627 and customer receipts should be provided using a PS Form 3544. Further, if phone service is available, the Plan instructs unit personnel to contact their post office Operations manager, district Marketing manager, and district Retail manager upon implementation of the Plan. It also instructs unit personnel to contact the help desk so a ticket can be opened.[13] Finally if the outage exceeds or is expected to exceed two days, the district retail office and area[14] retail equipment coordinators should be contacted for instructions.[15]

This occurred because there is no required training for headquarters, district, and unit personnel regarding their continuity responsibilities. Postal Service policy[16] indicates that, at a minimum, requirements for Business Continuity Plans[17] are defined in the *Administrative Support Manual* (ASM)[18] and Federal Continuity Directive 1 (FCD 1), *Federal Executive Branch National Continuity Program and Requirements*, dated January 17, 2017. FCD 1 orders of succession[19] require that those identified must be trained annually on their responsibilities and shall participate in test,[20] training,[21] and exercise[22] events.[23] An effective test, training, and exercise program is necessary for organizations to prepare and validate continuity plans. Furthermore, FCD 1 instructs personnel to be properly trained and facilities properly equipped to execute continuity plans with little or no notice.[24]

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11 Five retail units did not indicate they experienced disruptions of retail operations: Minneapolis MPO; Eastside Tulsa Station; Phoenix MPO; Saint Peters MPO; and Saint Charles South Station.
12 *Retail Systems Continuity of Operations Plan*, Table 1 – Scenarios and Informational Details, January 2021.
13 *Retail Systems Continuity of Operations Plan*, Section XI. Who is Notified Upon Implementation of the COOP?
14 Policy predates FY 2021 organizational changes. Retail and Post Office Operations personnel currently report directly to headquarters.
15 *Retail Systems Continuity of Operations Plan*, Section IX. Expected Life of the Plan.
16 Handbook AS-805, *Information Security*, Chapter 12-2, Service Continuity Plan Requirements, June 2021.
17 The documentation of a predetermined set of instructions or procedures that describe how an organization's mission and business processes will be sustained during and after a significant disruption.
18 ASM, Chapter 28, Emergency Preparedness.
19 Orders of succession are formal and sequential listings of positions that identify who is authorized to assume a particular leadership or management role under specific circumstances.
20 Testing cultivates better organizational knowledge, identifies gaps in coverage, and validates existing plans and programs.
21 Training helps familiarize continuity personnel with their roles and responsibilities to support the performance of an organization's continuity operations.
22 An exercise is an instrument to train for, assess, practice, and improve continuity capabilities in a risk-free environment.
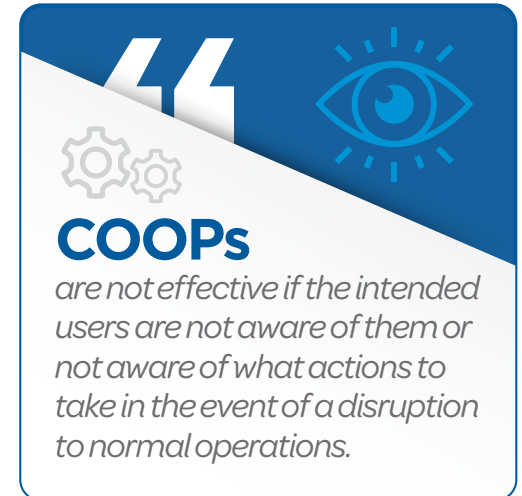23 FCD 1, Section VII, Continuity Capability Elements.
24 FCD 1, Section V, Roles and Responsibilities.

Further, headquarters personnel did not adequately review, update, or distribute the Plan to field offices. Specifically, headquarters management did not:

- Update the Plan at least annually as required. Management established a detailed COOP for retail operations in March 2016, released it in September 2017, and updated it in January 2021.

- Adequately distribute the Plan to all required personnel. Headquarters personnel stated that the Plan is posted on the RSS website and changes to the Plan are communicated through a Retail Digest article and RSS memo. However, according to two district personnel, the Plan is not easily visible on the RSS website. Furthermore, the January 2021 version was not posted to the RSS website until June 2021, as a result of our audit discussions. The ASM requires all contingency plans to be reviewed at least every six months, updated at least annually, and distributed to all individuals named in the Plan.[25]

- Train those with roles outlined in the Plan, including their alternates, about their responsibilities. The Plan includes district and area[26] roles and responsibilities that begin when the Plan is activated. However, personnel interviewed in two areas and thirteen districts stated that they were not aware of the Plan, or they were unfamiliar with their Plan responsibilities.

We did not determine why the Postal Service did not review, update, or disseminate the Plan on an annual basis, or train those with Plan responsibilities. However, with recent organizational changes, key points of contact changed including their continuity roles and responsibilities and some positions have yet to be filled.

COOPs are not effective if the intended users are not aware of them or not aware of what actions to take in the event of a disruption to normal operations. To reduce vulnerability and ensure continuity, plans should be incorporated into day-to-day functions. Further, clearly defined expectations, roles, and responsibilities of all continuity personnel and proper distribution of the Plan helps mitigate risks posed by any future disruptions to retail operations that result in revenue loss. Management at eight units took corrective action by either printing the Plan or all applicable PS forms or ordering forms and equipment through eBuy.[27]

> **COOPs**
> *are not effective if the intended users are not aware of them or not aware of what actions to take in the event of a disruption to normal operations.*

Recommendation #1
We recommend the **Vice President, Retail and Post Office Operations**, develop procedures to ensure the Retail Systems Continuity of Operations Plan is reviewed, updated, and distributed annually.

Recommendation #2
We recommend the **Vice President, Retail and Post Office Operations**, develop and require annual Retail Systems Continuity of Operations training for all applicable headquarters, district, and unit personnel; including when changes to personnel occur.

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25 ASM, Chapter 275.23, Contingency Plans, July 1999, updated through July 31, 2021.
26 Retail and Post Office Operations responsibilities no longer exist at the area level.
27 The electronic commerce portal that provides Postal Service employees with requisitioning, approval, and certification capability. It is the preferred method of order placement.

Management's Comments

Management agreed in part with the finding and acknowledged that there will always be areas for improvement when a disruption to normal operations occurs. However, they contended that references to certain continuity plans and directives are not germane to the focus of this audit, which was RSS contingency planning. They further stated that a COOP plan is facility specific whereas contingency plans are designed to mitigate the impacts of information system failures or network outages, such as the plan examined. Therefore, Postal Service Headquarters COOP plan is for USPS Headquarters, not an overarching plan for the Postal Service at large and not an information system service continuity or subordinate contingency plan, so it is not a valid reference for the purpose of this audit.

Management also stated that the Retail Systems plan provides a methodology for continuing retail operations in the event of a complete system failure or network outage. This plan ensures post offices provide a limited scope of products and services with minimal negative impact to customer service if RSS automated functions become unavailable. They emphasized that the intended audience of the 2017 Retail Systems plan is the functional manager of a post office and that many of the examples cited in the draft are based on interviews conducted with unit personnel whom are not functional managers. Further, since the draft did not provide the positions of those interviewed, management noted that it was not possible to determine if the information was collected from the responsible employees.

Additionally, management stated that craft employees are typically instructed to report issues to their immediate supervisor first, and then their manager, rather than escalate outside the scope of the initial unit level. Again, management noted that since the position titles of appropriate personnel referenced in the report were not clearly defined, it was unclear whether any notification to the next level of management was taken into consideration.

Furthermore, management noted that none of the 22 offices cited in the report were experiencing disruption in service at the time of our visit. Therefore, much of the information in the analysis can only be considered anecdotal.

Finally, management recognized the inaccurate naming of Retail Systems Continuity of Operations Plan documents and is committed to establishing processes which are easily identifiable and readily available for review in instances where an RSS failure occurs. Management will continue to look for ways to meet and further improve on those commitments.

Management agreed with recommendations 1 and 2. They stated they will rename the Retail Systems Continuity of Operations Plan to the Retail Systems Software Contingency Plan. The plan will be reviewed, updated as necessary, and distributed to retail units utilizing retail systems. They also agreed to provide training resources to refamiliarize employees, as applicable, with their roles and responsibilities in supporting the execution of the Retail Systems Software Contingency Plan (as renamed). The target implementation date for these actions is September 30, 2022.

See Appendix D for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and the corrective actions should resolve the issues identified in the report.

Regarding management's assertion that references to certain continuity plans and directives are not germane to the focus of this audit, we provided those references for awareness of relevant policy and guidelines for continuity of operations. Management recognized the inaccurate naming of the document that was the focus of our audit — Retail Systems Continuity of Operations Plan — when its purpose is a contingency plan designed to mitigate the impacts if RSS automated functions become unavailable. Regardless, we used RSS COOP provisions as our criteria when evaluating field offices' management of retail activities in the event of a disruption to RSS normal operations.

Regarding the clarity, detail, and position titles of personnel, we do not always provide detailed position or title information of those referenced in a report unless it is essential to understanding or supporting our overall findings and conclusions. Further, we often use the generic term "applicable personnel" when more than one employee or level of employee is involved. Had management requested that information, we would have shown that we interviewed and obtained our information from the responsible employees.

Regarding anecdotal information, we acknowledge that personal testimonies are considered anecdotal and that none of the sites experienced service disruptions during our site visits. However, the OIG upholds that employee observations and knowledge shared relating to disruptions to RSS normal operations support our findings and conclusions as they relate to the audit objective.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action(s) are completed. Recommendations 1 and 2 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

Click on the appendix title below to navigate to the section content.

Appendix A: Additional Information

Scope and Methodology

We initially visited three retail units[28] in the Central Area based on proximity to our OIG office. Based on our observations, we expanded our sample and visited 19 of the top retail units in each of the four areas based on FY 2020 Walk-In Revenue (WIR) data.[29] (see Figure 1 for the 22 retail units visited).

Figure 1. Retail Units Visited

Source: OIG audit team.

To accomplish our objective, we:

- Reviewed prior audits and related recommendations to determine what corrective actions were taken, if applicable.

- Researched and reviewed applicable laws, regulations, policies, procedures, risks, and best practices.

- Analyzed data in various reports and dashboards, including the WIR by Retail Unit report and Workstation State of Health dashboard from the Enterprise Data Warehouse (EDW).[30]

- Interviewed unit personnel[31] regarding their preparation and knowledge of retail continuity operations.

- Interviewed various district[32] and area[33] personnel to gain an understanding of their roles and responsibilities related to retail continuity operations and their actions taken during previous disruptions to normal retail operations.

- Interviewed Postal Service Headquarters officials responsible for planning and implementation of the Plan.

We conducted this performance audit from April 2021 through May 2022 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. We discussed our observations and conclusions with management on March 21, 2022, and included their comments where appropriate.

We assessed the reliability of FY 2020 WIR data by comparing the top retail units with revenue data in Accounting Data Mart in EDW. We determined that the data were sufficiently reliable for the purposes of this report.

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28 Saint Peters MPO, Saint Charles MPO, and Saint Charles South Station.
29 WIR is a subset of retail revenue. It comprises revenue produced through sales physically made at post offices such as stamp sales, money order fees, and passport services.
30 EDW is the main Postal Service reporting platform.
31 Sales and service associates, lead sales and service associates, customer services supervisors and managers, station managers, officers in charge, and postmasters.
32 District personnel interviewed included the Retail (currently retail support specialist) and Marketing (currently customer relations) managers of each district visited. They are main points of contact listed in the Plan.
33 Personnel interviewed were the area retail equipment coordinators (currently area retail & delivery equipment integrator). They are main points of contact listed in the Plan.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date
Information Technology Continuity of Operations Plans	Determine whether the Postal Service's information technology division has viable functional workgroup annex capabilities to support essential business functions.	IT-AR-17-002	3/29/2017

Appendix B: Observations

Table 1. Details of Field Unit Observations

#	Unit Name	Manual Forms Not Printed	Paper Used to Track Sales	Incorrect Customer Receipt	COOP Folder Not Maintained	Resources Not Printed	Manual Scale Not Available
1	Atlanta MPO	X	-	-	X	X	X
2	Bolingbrook MPO	-	-	X	-	-	-
3	Carmel Mountain Postal Store	X	X	-	X	-	-
4	Eastside Tulsa Station	X	-	-	X	X	X
5	GMF Austin Finance Station	-	X	-	-	-	X
6	James C. Brown Jr. MPO	X	X	-	X	X	X
7	Matthews Main Office	X	X	-	X	X	-
8	Merrifield MPO	X	X	-	-	X	X
9	Millwood Main Office	X	X	-	X	X	X
10	Minneapolis MPO	X	-	-	X	X	X
11	Phoenix MPO	X	-	-	X	X	X
12	Rapid City MPO	-	X	-	-	X	-
13	Saint Charles MPO	X	-	-	-	X	-
14	Saint Charles South Station	X	-	-	-	X	-
15	Saint Peters MPO	X	-	-	-	X	-
16	Santa Ana Window Services	X	X	-	X	X	-
17	Sterling MPO	X	X	-	X	X	-
18	Tampa MPO	X	-	X	X	X	-
19	Tewksbury MPO	X	-	-	-	X	X

#	Unit Name	Manual Forms Not Printed	Paper Used to Track Sales	Incorrect Customer Receipt	COOP Folder Not Maintained	Resources Not Printed	Manual Scale Not Available
20	Van Nuys MPO	-	-	X	-	-	-
21	WAC-Woodway Finance Station	X	-	-	X	X	-
22	Wauconda MPO	X	X	-	-	-	-
	Total	**18**	**10**	**3**	**12**	**17**	**9**

Source: OIG analysis of data collected during unit visits.

Appendix C: Retail Unit Data

Table 2. Actions Taken by Units During Disruptions of Retail Operations

#	Unit Name	Cash/Check Transactions Only	Unit Shut Down	Customers Sent to Nearest Operational Unit
1	Atlanta MPO	-	X	-
2	Bolingbrook MPO	X	-	-
3	Carmel Mountain Postal Store	X	-	X
4	GMF Austin Finance Station	X	X	-
5	James C. Brown Jr. MPO	X	X	-
6	Matthews Main Office	X	X	X
7	Merrifield MPO	X	-	-
8	Millwood Main Office	X	-	-
9	Rapid City MPO	X	-	X
10	Saint Charles MPO	X	-	-
11	Santa Ana Window Services	X	-	-
12	Sterling MPO	X	-	-
13	Tampa MPO	X	-	-
14	Tewksbury MPO	-	X	-
15	Van Nuys MPO	X	-	X
16	WAC-Woodway Finance Station	X	X	-
17	Wauconda MPO	X	-	X
	Total	**15**	**6**	**5**

Source: OIG analysis of data collected during unit visits.

Appendix D: Management's Comments

ELVIN MERCADO
VICE PRESIDENT, RETAIL AND POST OFFICE OPERATIONS
HEADQUARTERS

UNITED STATES POSTAL SERVICE

April 29, 2022

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Retail Systems Continuity of Operations (Report
Number 21-063-DRAFT)

Postal Management appreciates the opportunity to review and comment on the findings
and recommendations contained in the draft audit: *Retail Systems Continuity of
Operations*. While Management acknowledges there will always be areas for improvement
when a disruption to normal operations occurs, it contends the report contains some
nuances that may have skewed the findings and even the intent of the audit.

References made to the Postal Service Headquarters Continuity of Operations Plan
(COOP), Handbook AS-805, *Information Security*, and any derivative references to
Business Continuity Plans, Federal continuity directives, or an "overarching Postal Service
COOP plan" are not germane to the focus of this audit - which is related to Retail Systems
Software (RSS) contingency planning. To further clarify: as part of the Postal Service's
Integrated Emergency Management (IEM) discipline, a COOP plan is facility specific (i.e.,
how to address the loss of a facility and the personnel and operations conducted within it,
through offload or other means), whereas contingency plans are designed to mitigate the
impacts of information system failures or network outages, such as the plan being
examined here. Therefore, Postal Service Headquarters Continuity of Operations Plan is a
COOP plan for USPS Headquarters – for the agency leadership, staff and activities
conducted there - not an overarching plan for the Postal Service at large and not an
information system service continuity or subordinate contingency plan, and so is not a
valid reference for the purpose of this audit.

Finding #1: *Field Office Retail Continuity of Operations Management.*
Management agrees in part with Finding #1.

The Retail Systems plan developed by the United States Postal Service provides a
methodology for continuing retail operations in the event of a complete system failure or
network outage. This plan ensures post offices provide a limited scope of products and
services with minimal negative impact to customer service if RSS automated functions
become unavailable.

The intended audience of the 2017 Retail Systems plan called out in the audit clearly
references the functional Manager of a Post Office. Many of the examples cited in the
draft, however, are based on interviews conducted with "unit personnel" including Sales
and Service Associates, Lead Sales and Service Associates, and Customer Services
Supervisors-none of whom are functional Managers. Since the draft does not provide a

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260

specific breakdown by position type of those interviewed, it is not possible to determine if the information for the audit was accurately collected from the responsible employees.

Likewise, the report notes that employees did not always contact appropriate personnel when a retail system failure or network outage occurred. However, craft employees are typically instructed to report issues to their immediate supervisor first - and then their manager – rather than escalate outside the scope of the initial unit level. Since position titles of "appropriate personnel" referenced in the report were not clearly defined, it is unclear whether any notification to the next level of management was taken into consideration with the findings.

Finally, the audit suggests field offices did not always properly manage retail activities in the event of a disruption to retail system operations. The report even elaborates on the number of occasions and specific types of breaches that occurred at the 22 offices cited. However, none of those offices were experiencing a disruption in service at the time of the OIG site visit, so much of the information in the analysis can only be considered anecdotal at best.

While Postal Management recognizes the inaccurate naming of "Retail Systems Continuity of Operations Plan" documents, it is committed to establishing processes which are easily identifiable and readily available for review in instances where an RSS failure occurs. Management will continue to look for ways to meet and further improve on those commitments.

Recommendation [1]:
We recommend the **Vice President, Retail and Post Office Operations** develop procedures to ensure the Retail Systems Continuity of Operations Plan is reviewed, updated, and distributed annually.

Management Response/Action Plan: Management agrees.
The Retail Systems Continuity of Operations Plan will be renamed to accurately reflect the title of "Retail Systems Software Contingency Plan". The plan will be reviewed, updated as necessary, and distributed to Retail units utilizing retail systems.

Target Implementation Date: 09/30/2022

Responsible Official:
Manager, Retail Strategy and Optimization

Recommendation [2]:
We recommend the **Vice President, Retail and Post Office Operations**, develop and require annual Retail Systems Continuity of Operations training for all applicable headquarters, district, and unit personnel, including when changes to personnel occur.

Management Response/Action Plan: Management agrees.
The Retail Systems Continuity of Operations Plan will be renamed to accurately reflect the title of "Retail Systems Software Contingency Plan". Training resources will be provided to

-3-

refamiliarize employees, as applicable, with their roles and responsibilities in supporting the execution of the Retail Systems Software Contingency Plan (as renamed).

<u>Target Implementation Date:</u> 09/30/2022

Responsible Official:
Manager, Retail Capability & Proficiency

E-SIGNED by Anthony.A Impronto
    on 2022-04-29 15:50:16 CDT

Elvin Mercado

cc: *Manager, Corporate Audit Response Management*

475 L'Enfant Plaza SW
Washington DC 20260

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(703) 248-2100

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