OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

SEMIANNUAL REPORT to CONGRESS

FALL 2024
APRIL 1 – SEPTEMBER 30, 2024

A Message *from the* Inspector General

Over the past six months, our work has covered a wide range of topics, with a strong focus on the U.S. Postal Service's rollout of its 10-year Delivering for America (DFA) plan. We have identified some significant complications and potential risks associated with its implementation. As the Postal Service continues to make nationwide changes to how it collects, transports, and processes mail, our audit team will be there to highlight issues and provide postal leadership with recommendations to mitigate current and future problems.

While our investigative team covers many areas, it continues to have a big focus on both narcotics in the mail and mail theft by postal employees. There has always been a small handful of postal employees who turn to crime, but recently there has been a growing threat. Criminal organizations are targeting, recruiting, and colluding with postal employees to move narcotics through the postal network and to steal checks — both personal and government-issued checks — credit cards, and other valuables from the mail.

This is a critical time for the Postal Service and its customers. Proper oversight is essential to ensuring the nation continues to receive affordable and reliable mail service, especially during an election. During the six-month period ending September 30, 2024, we issued 82 audit reports, management advisories, and white papers, and identified over $442 million in questioned costs. Postal management agreed with 220 (88 percent) of our recommendations to improve issues we identified. We completed 1,393 investigations that led to 401 arrests, 351 convictions, and almost $19 million in fines, restitution, and recoveries, of which more than $11 million was returned to the Postal Service.

We have achieved these significant results with an efficient, lean staff, which equates to one OIG employee for every 648 postal workers. Unfortunately, our ability to maintain this level of effort is being challenged, as the combination of a relatively flat budget and the growing cost of federal salaries and benefits has led to a decline in the number of full-time employees. As the Postal Service gets ready to make significant nationwide changes, and the threats of narcotics trafficking and mail theft continue to grow, additional funding would help ensure we can continue to provide the right level of oversight.

Looking towards the future, in September, we released our five-year Strategic Plan covering fiscal years 2025 through 2029. It lays out how we plan to meet our mission — promoting the integrity, accountability, and efficiency of the U.S. Postal Service and its regulator, the Postal Regulatory Commission — with a focus on innovation and employee development.

While the future ahead holds challenges, I look forward to the important work we will continue to do for the Postal Service and the people it serves.

Tammy L. Hull

Inspector General, United States Postal Service

Table *of* Contents

About Us

The U.S. Postal Service Office of Inspector General (OIG) provides essential oversight to the United States Postal Service (USPS) and its regulator, the Postal Regulatory Commission (PRC). Our work plays an important role in maintaining the integrity of America's postal system, its revenue and assets, and its employees. We uphold an important mission: promoting the integrity, accountability, and efficiency of the U.S. Postal Service and its regulator.

During fiscal year (FY) 2023, our agency was made up of 988 personnel in 96 field offices across 39 states and 91 congressional districts to oversee a postal workforce of over 640,000 employees. While the scope and breadth of our work is extensive, we also have one of the lowest ratios of employees relative to our parent agency compared to other OIGs: there is only one of us for every 648 postal employees.

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

Our agency prides itself on meeting the demands of the job, even while operating on a reduced budget. We provide a prudent return on investment to USPS, returning just over $4 for every $1 invested in our FY 2024 budget alone. However, to protect the Postal Service and the nation's longstanding trust, it is imperative our agency receive full funding of our budget request. On average, our Hotline receives about 200,000 contacts per year. However, in FY 2024, that number rose to more than 348,000, posing an additional strain on our already limited resources.

Full funding of our budget will enable us to continue playing a critical role in overseeing the Postal Service and the PRC, ensuring confidence in the integrity and safety of the mail. Given the Postal Service is a key part of our nation's infrastructure, full funding will allow us to maintain major narcotics work (including reinstating our highly impactful Narcotics Task Force), combat fraud in government programs, and oversee the safe and timely delivery of Political and Election Mail.

Office of Audit

Our Office of Audit is composed of five program areas:

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

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

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

Office of Investigations

The vast majority of postal employees are trustworthy, dedicated workers. However, a small percentage violate the public's longstanding trust in the postal system. Our Office of Investigations (OI) has special agents located around the country to investigate allegations of internal crimes, fraud, and misconduct by postal or PRC employees and 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, Organized Crime Investigative Unit, and the Office of Professional Responsibility. Collectively, our investigations help ensure the integrity of postal processes, finances, and personnel.

Research and Insights Solution Center

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

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

Summary *of* Performance

AUDITS *and* WHITE PAPERS

Questioned Costs:
$442,399,609

Revenue Impact:
$12,192,738

Funds Put to Better Use:
$10,294,265

Total: **$464,886,623**

Reports Issued:	**82**
Recommendations Issued:	**250**
Total Reports with Financial Impact:	**11**

INVESTIGATIONS[1]

Investigations Completed:	**1,393**
Arrests:	**401**
Indictments/Informations:	**440**
Convictions/Pretrial Diversions:[3]	**351**
Administrative Actions:	**785**

Amount to the Postal Service:[2]
$11,031,579

Cost Avoidance:
$124,424,614

Fines, Restitution, and Recoveries:
$18,997,888

HOTLINE CONTACTS

Facsimile	Voicemail Messages	Telephone Calls
105	**926**	**17,009**
Standard Mail	Email	Webforms
1,182	**171,224**	**55,387**

Total Contacts:
245,833

---

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.

Mail Theft

Mail Theft

The Number of Mail Theft Victims Rises

Financial instruments — be it personal or business checks, U.S. Treasury checks, and credit and debit cards — are in high demand in criminal circles. And when postal employees collude with criminals and give them the keys to the kingdom, the number of victims drastically rises.

One of our digital stories immerses readers in a case where our special agents took down a New York City bling ring. Postal inspectors contacted our Office of Investigations after receiving a complaint from one of the country's largest credit card issuers that a substantial number of fraudulent purchases were made at luxury retailers in the Big Apple. Whoever was running the scheme wasn't acting alone and had a steady stream of stolen credit cards: over 1,000 had been fraudulently used, would-be cardholders were outraged, and the estimated losses were well over $2 million.

Our special agents alongside the U.S. Postal Inspection Service (USPIS) and NYPD identified the leader of the 10-person ring. While executing a search warrant at his home in 2021, they found a stockpile of incriminating evidence: two loaded firearms, multiple cell phones, credit cards belonging to many victims, stolen mail, high-end watches and jewelry, designer handbags, and a white 2020 Lamborghini. He was arrested and charged with grand larceny, identity theft, and firearms possession.

From there, the scheme came undone. Our special agents identified and arrested four postal workers the ringleader had recruited to steal credit cards from the mail. They had been stealing as many as 20 credit cards a day and handing them over to him and other co-conspirators.

Five other arrests happened at the same time, and all 10 were charged with various crimes, including identity theft and conspiracy. The government successfully handled all the criminal investigations associated with the case,

Harsh Consequences Even for Those Acting Alone

Some federal prosecutors are seeking harsher sentences for postal employees who violate their positions of trust for personal gain. Our Investigative Case Highlights detail how a postal employee in Arkansas was sentenced to 20 years in prison after she alone stole and cashed upwards of 400 checks in a matter of months. The mail theft scheme particularly hurt small businesses in a small town, and it became the first of its kind to be prosecuted in the state.

OIG Mail Theft Investigations for the period: April 1 – September 30, 2024	
Investigations Closed	773
Arrests	258
Indictments/Informations	276
Convictions/Pre-trial Diversions	214
Administrative Actions	460
Fines, Restitution, and Recoveries	$3,032,265
Amount to the Postal Service	$20,599

and the now-defunct bling ring faces restitution of potentially $1.6 million.

Shutting Down Treasury Check Fraudsters

In another New York investigation, our special agents, postal inspectors, and investigators from Internal Revenue Service Criminal Investigation (IRS:CI) determined a mail carrier was engaged in a conspiracy to steal fraudulently issued IRS tax refund checks and CARES Act Economic Impact Payment checks.

The conspiracy involved external actors who filed fake tax returns with the IRS to obtain about $6 million in fraudulent tax refund checks. The mail carrier was helping the operation by giving his co-conspirators fictitious addresses along his route. He would then steal and sell the fraudulent refund checks issued to those addresses when USPS received them for delivery.
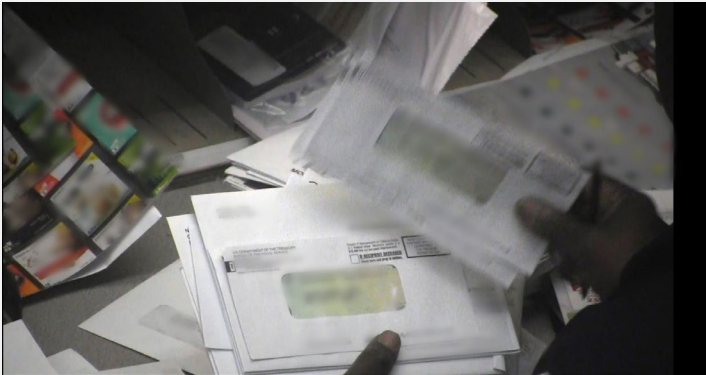

Image of USPS employee stealing U.S. Treasury checks from the mailstream.
Source: OIG photograph.

Our special agents and their partners brought down the fraudsters, and the now former employee was sentenced to a year in jail and was ordered to pay more than $182,000 in restitution.

Mail Theft

Stopping a Multi-State Mail Theft Conspiracy

When more than one postal employee colludes with a criminal organization, the damage is multiplied. Our special agents found two employees — one in Indianapolis and the other in Chicago — were recruited by two civilians to provide checks, arrow keys, and other valuables for money.

The Indianapolis employee stole and sold the two civilians 272 checks from 59 victimized businesses in his area; the checks had a face value of over $1.7 million. One of the civilians — the fixer — would then solicit people on social media to grant him access to their bank accounts so he could negotiate the checks without using his own name. The fixer split the proceeds with the end bank user and the Indianapolis employee. To make matters worse, the fixer used victimized businesses' banking information to create about 254 more counterfeit checks, totaling over $565,000, for a grand total of almost $2.3 million from the Indianapolis side of the case.

Although the Indianapolis employee resigned from USPS after our agents interviewed him in June 2021, he continued stealing mail and entering his old post office during late night hours while armed. Our special agents arrested and criminally charged him in Indiana, where a grand jury also indicted the two civilians.

When the other co-conspirator — a convicted felon — was arrested in Illinois, he had stolen checks, credit cards, and a USPS proprietary arrow key the Chicago employee had sold him (arrow keys open and secure blue collection boxes and cluster box units, such as those in apartment buildings). When the fixer was arrested, special agents found him with almost 90 Chicago-area business and personal checks, totaling over $58,000. And it didn't end there: police arrested the convicted felon a second time after he tried fleeing a traffic stop, and found more incriminating evidence, including multiple stolen checks.

Justice was delivered: the four men were sentenced to a combined total of almost 13 years in prison, with the fixer having to serve separate terms in both Indiana and Illinois. And the Indianapolis employee and the two externals were ordered to pay restitution of over $265,000.

Beyond Mail Theft Investigations

We will continue to aggressively investigate employee involvement in conspiracies to steal mail and will pursue external entities that recruit and collude with employees to do so. And our Office of Audit will continue its oversight of the

Postal Service's efforts, and that of its law enforcement arm, to prevent and mitigate mail theft.

In May 2023, USPS and USPIS announced a joint initiative called Project Safe Delivery to combat the rise in mail theft and carrier robberies around the country. These efforts include installing high security collection boxes (HSCBs), electronic arrow locks (eLocks), and modified arrow lock (MAL) keys in areas with high volume of mail theft. Our auditors visited three locations — Chicago, IL, Queens, NY, and San Francisco, CA — to assess actions to mitigate and respond to mail theft, including Project Safe Delivery efforts.

Postal Service management generally agreed with all findings and all our recommendations in this new series of reports.

eLocks awaiting installation at the Rincon Finance Center Station in San Francisco, CA.
Source: OIG photograph.

Blue collection box with missing bolts and corrosion seen in Queens, NY, during mail theft mitigation audit.
Source: OIG photograph.

Narcotics

Narcotics

A Growing Focus on Collusion

As one of the most trusted government agencies, the Postal Service's workforce is made up of honest, hardworking individuals. However, a small percentage of employees violate their positions of trust and their commitment to protect the sanctity of the U.S. Mail. Accordingly, our Office of Investigations has been focusing on a greater threat to the Postal Service and the American public: employees colluding with criminals in activities that threaten the safety and security of the mail.

In the world of narcotics, drug trafficking organizations (DTOs) increasingly target and recruit postal employees due to their access to the vast postal network. In a recent investigation with the U.S. Drug Enforcement Administration (DEA), Homeland Security Investigations, and Postal Inspection Service, our special agents identified a postal employee as a key member of a DTO operating in New York and New Jersey. The group had been trafficking large quantities of cocaine through the mail.

Our special agents found a pattern of suspicious parcels from Puerto Rico destined to the mail carrier's route, and with their partners, carried out a sting operation to positively identify the suspect's role with the DTO. The stakes were high as the individual had a history of violence, and when he was arrested, our special agents found a loaded gun and 3 kilos of cocaine with an approximate street value of $200,000. During a consensual search of his home, special agents found a smaller quantity of cocaine and more firearms.

The employee confessed to using his access to Postal Service operations to help move illegal drugs throughout New Jersey. He resigned from the Postal Service in July 2022, was criminally charged, and in May 2024 was sentenced to almost five years in prison.

| OIG Narcotics Investigations For the period: April 1 – September 30, 2024	
Investigations Closed	159
Arrests	89
Indictments/Informations	90
Convictions/Pre-trial Diversions	65
Administrative Actions	71
Fines, Restitution, and Recoveries	$724,389
Amount to the Postal Service	$37,741

Disrupting the Business of Narcotics

In Washington state, our special agents teamed up with investigators from the DEA, USPIS, IRS:CI, and local law enforcement to disrupt a DTO that was using the Postal Service to move drug money. OIG special agents identified a postal employee who received parcels containing cash from drug sales on his delivery route, then diverted and handed them over to a co-conspirator. With 135 parcels containing drug money delivered to his route and four to his own home, it is estimated the employee helped move more than $6 million in drug proceeds through USPS.

Two parcels containing $52,000 and $70,000 were seized during the investigation. And while executing three search warrants, special agents seized more incriminating evidence: $345,000 in cash, multiple firearms, 17 cell phones, ketamine, alprazolam, and 350 marijuana plants. In May 2021, the employee resigned from the Postal Service and was arrested the following October. In March 2023, he was sentenced to six months' confinement.

Narcotics

Dismantling DTOs from the Inside Out

One of our recent digital stories detailed an investigation where our special agents and their DEA and USPIS partners identified a prime suspect with connections to would-be co-conspirators in central Florida. The DEA had information that the ringleader there was receiving kilos of cocaine from an unidentified Puerto Rican supplier. Our special agents spotted a man whom evidence pointed to as being responsible for receiving at least 30 cocaine-laden Priority Mail parcels from Puerto Rico.
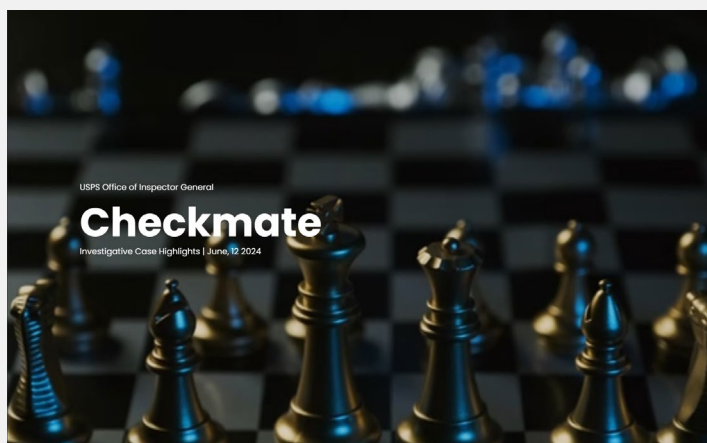
Click on the above image to view the first digital story on an OIG investigation.

Most narcotics cases our special agents work see postal employees as willing participants in a larger, externally run drug trafficking game. But in this investigation, the suspect turned out to be the mastermind — a postal employee who had been supplying the drugs from Puerto Rico.
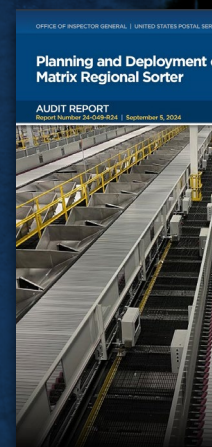
Our special agents and their partners successfully dismantled the DTO. Other co-conspirators in the ring were criminally charged and sentenced to 10 months, three years, and more than five years in prison. The kingpin, however — the mail carrier who orchestrated the operation — received the longest sentence of all: seven and a half years in federal prison.

USPS OIG Joins OCDETF Fusion Center

The Organized Crime Drug Enforcement Task Force (OCDETF) is an independent component of the U.S. Department of Justice and the largest anti-crime task force in the country. It identifies, disrupts, and dismantles the highest-level criminal organizations that threaten the nation using a prosecutor-led, intelligence-driven, multi-agency approach. This year, we formally joined OCDETF's Fusion Center, the largest repository of federal and foreign case intelligence in the federal government. We look forward to augmenting our role with OCDETF to deter the illegal transport of controlled substances through the mail.

As America continues to battle the opioid epidemic, the OIG remains committed to identifying and removing these bad actors and ensuring the safety of postal employees and the nation's trust in the mail system. We take any allegation of employees conspiring with DTOs seriously and will fully investigate any such claim. Those who abuse the system will be held accountable to protect the Postal Service and the people it serves.

Delivering *for* America

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

...the New Regional
...Distribution Center in
...ber 19, 2024

UNITED STATES
POSTAL SERVICE
Portland District
Portland P&DC

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Evaluation of Freight Auction

AUDIT REPORT
Report Number 23-162-R24 | August 6, 2024

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

**Accuracy of Reported
Service Performance**

AUDIT REPORT
Report Number 23-168-R24 | June 26, 2024

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SERVICE

Supervisor Vacancies

AUDIT REPORT
Report Number 23-172-R24 | July 17, 2024

OFFICE OF INSPECTOR GENERAL | UNITED STATES POSTAL SER...

**Planning and Deployment o...
Matrix Regional Sorter**

AUDIT REPORT
Report Number 24-049-R24 | September 5, 2024
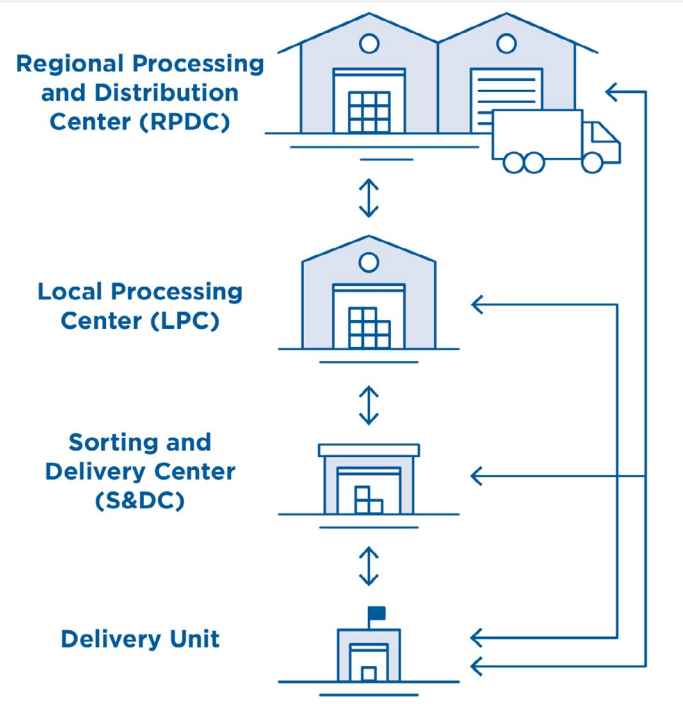
Delivering *for* America

Bold Changes Bring Unexpected Challenges

In 2021, the Postal Service announced its Delivering for America (DFA) plan to achieve financial sustainability and service excellence. The plan outlines significant changes to many parts of the agency's operations, including redesigned processing, transportation, and delivery networks. This includes plans to invest $40 billion to create a modernized network based around new Regional Processing and Distribution Centers (RPDC), local processing centers (LPC), and sorting and delivery centers (S&DC). Some of the larger-scale initiatives unveiled so far have brought unexpected challenges.

Our audit on the launch of the Atlanta, GA, RPDC — a one-million-square-foot facility designed to consolidate operations from nearby postal facilities — found USPS faced serious challenges during implementation, which caused an immediate and significant decline in service performance in the region. For example, challenges executing operations under the new plant design resulted in congested dock conditions and truck drivers waiting hours — sometimes up to 13 hours — to unload mail.

> USPS defines service performance as the time it takes to deliver a mailpiece or package from its acceptance through its delivery.

Mail Flow of Future Network.
Source: *USPS Delivering for America: Second-Year Progress Report*, dated April 2023.

Central to our findings was the Postal Service did not build on lessons learned from the earlier Richmond, VA, RPDC launch to address similar barriers to success such as staffing, training, and supervision. However, when we audited the launch of the Portland, OR, RPDC, we found USPS implemented several lessons from a past RPDC conversion, such as including personnel and stakeholders in planning and implementation, administering the conversion in phases, and ensuring adequate staffing for key positions. We also identified ways the Postal Service can improve performance both in the Portland region and during the implementation of future RPDCs.

While management agreed with the recommendations in the Portland report, it disagreed with two in the Atlanta audit relating to staffing challenges. We are working with Postal Service management through the formal audit resolution process.

The Local Transportation Optimization (LTO) initiative is another key part to accomplishing USPS's goal to achieve financial sustainability. Under LTO, the Postal Service will no longer transport mail collected at delivery units greater than 50 miles away from a processing facility the same day it is collected. Rather, the mail will remain at the delivery unit until the next day, delaying its entry into sorting operations.

OIG auditors observed examples of inefficient operations, such as machinable mail in manual operations at the Atlanta, GA, RPDC. Source: OIG photograph.

Delivering *for* America
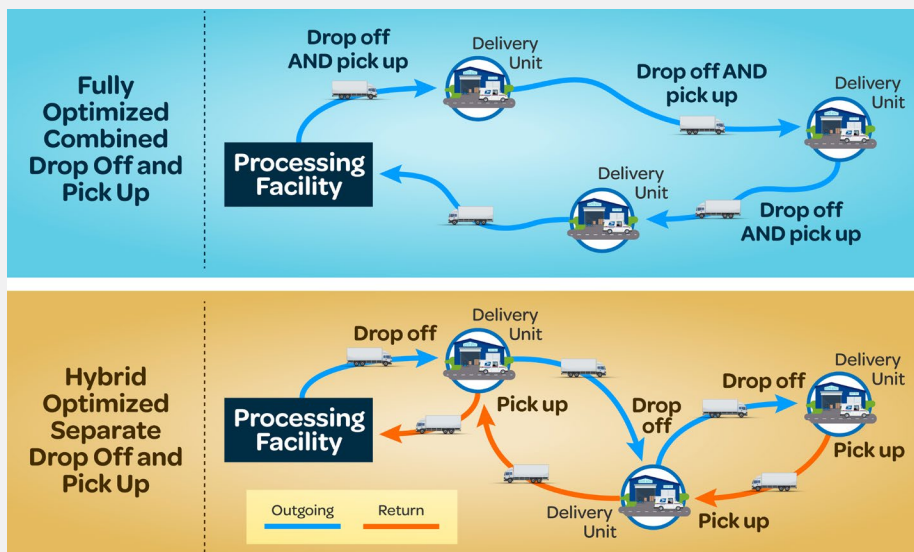
Fully and Hybrid Optimized Route.
Source: Postal Service Richmond Presentation on October 25, 2023.

There are congressional and stakeholder concerns that implementing this initiative at facilities greater than 50 miles away from a processing facility may lead to more rural ZIP Codes being affected than urban ones.

Our audit on the impacts associated with the Richmond, VA, LTO found that of the ZIP Codes affected, 86 percent were within rural areas. Postal Service management had not notified these communities of the changes resulting from this initiative. Further, while we could not isolate the LTO's impact on service during the peak mailing season and Richmond RPDC implementation, service performance went down significantly in the weeks following implementation. The Postal Service intends to implement the Regional Transportation Optimization initiative on a nationwide basis, which is an evolution of the LTO initiative that was piloted in a limited number of geographic areas.

Finally, our audit on the South Houston LPC found management's implementation of this facility led to hundreds of thousands of delayed packages in the Houston region. Specifically, we estimated about 160,000 pieces of delayed mail at the LPC needed processing and about 224,000 pieces of delayed mail were waiting for dispatch to other locations nationwide. These delays resulted, in part, from management using an undocumented contingency plan and keeping the facility open beyond peak season without adequate staffing.

## A Focus on Continuous Improvement

Central to the success of the Postal Service's 10-year plan is continually improving its programs and initiatives. High on the

list of DFA initiatives is aggregating delivery units into fewer, larger, centrally located S&DCs, which are designed to reduce transportation and mail handling costs. So far, USPS has established operational goals for implementing S&DCs through a scorecard containing 52 metrics that monitor service performance, operational efficiency, and potential plant impacts. Our audit on S&DC performance noted several opportunities for improvement.

Specifically, additional overtime costs could be avoided by more consistently achieving city carrier route performance goals. There are also opportunities for S&DCs to more consistently meet their machine throughput (mailpieces per hour) and Post Office Box mail availability goals, and to address overburdened rural routes. However, management disagreed with five of our six recommendations to address the issues we identified.

A similar audit on the impacts of two S&DCs in the Florida 1 District offered additional recommendations to improve performance there. Of those seven recommendations, management disagreed with two. We are working with management to resolve the outstanding disagreements in both S&DC reports.
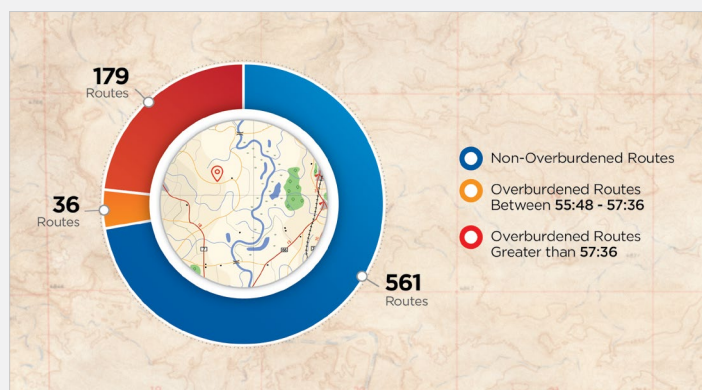
S&DC Rural Route Performance.
Source: OIG analysis of S&DC overburdened route data as of July 15, 2024, provided by USPS management on July 15, 2024.

Among the strategies aimed at supporting the DFA vision to improve financial sustainability and service performance is the Freight Auction program. It allows USPS to use the spot freight market to get competitive market pricing on surface trips and improve trailer utilization. Our audit on the program found opportunities for cost savings, as about 5.7 percent of Freight Auction trips were not awarded to the lowest bidder in FYs 2022 and 2023. We also estimated $199.1 million in

questioned costs due to insufficient requirements related to payment accuracy and proof of delivery. And we made recommendations to address issues with the application of driver security and screening requirements. We are working with management to resolve the recommendation with which it disagreed in this report.

Regarding equipment, the Postal Service deployed the Matrix Regional Sorter (MaRS) to increase package processing capacity and efficiency while using less floor space — a critical factor to the success of its network transformation implementation and increasing the agency's share in the growing package market. Our audit on MaRS planning and deployment found USPS was able to quickly plan, design, and deploy the MaRS to help support its RPDC initiative and help meet its package sorting demands at the Chicago and Atlanta RPDCs.

However, we found USPS overestimated the achievable efficiency of the machine, which can affect the expected savings from its operation. We also observed several maintenance issues with the MaRS and a lack of oversight of operations that led to packages being delayed. Further, we found the initial operation of the MaRS led to damaged packages, overflowing conveyor belts creating safety hazards as mail fell off machines, and mail requiring resorting. Addressing the issues identified in the report will help prolong the life of these machines and help USPS to better capitalize on its investment.

Another way the Postal Service can continue improving its service performance is through accurate service measurement and transparency. Both are critical to inform the public on how DFA initiatives are performing. Our audit on this topic found ways USPS can improve its accuracy of reported service performance, make its service performance dashboard more transparent, and provide important context whose absence could be misleading. Five recommendations are currently in audit resolution, including four with which management disagreed.

Strengthening the Workforce

The Postal Service's staffing and retention can impact its ability to meet service performance standards. Our white paper on the postal workforce composition contextualizes the agency's efforts to recruit and retain employees as it has navigated a tightening U.S. labor market in recent years.
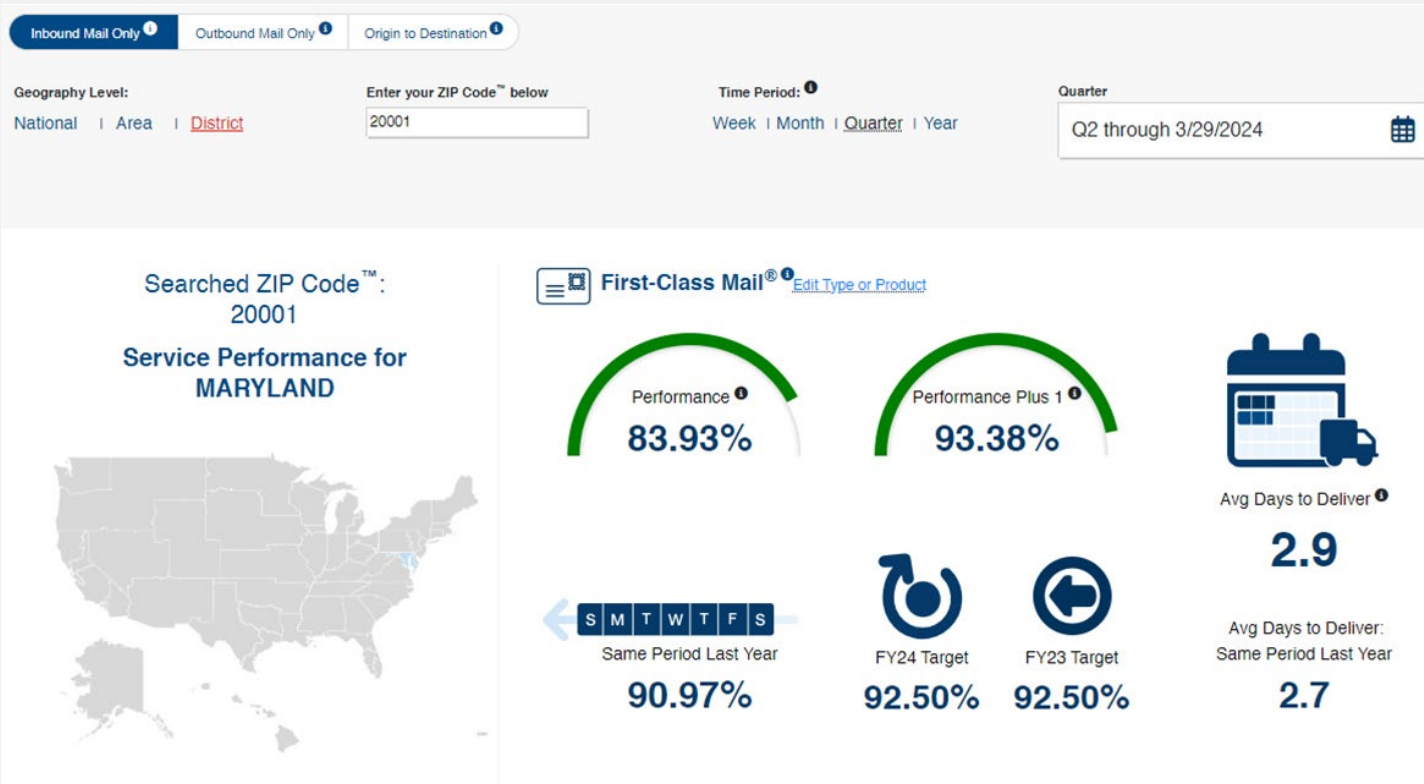
Source: USPS Service Performance Dashboard.

Delivering *for* America

Among the paper's insights are that the postal workforce composition has been affected by declining mail volume and a growing share of packages. Between FYs 2019 and 2023, USPS added 8,105 employees, a 1.3 percent increase over the five-year period. Despite the tightening labor market, no craft examined by the OIG had a substantial shortage or surplus of career employees on average in FY 2023. However, in every craft, some of the Postal Service's 50 districts and 13 divisions had substantially larger shortages or surpluses than the Postal Service as a whole. Further, USPS may face a retirement wave in the coming years, with over 50 percent of the craft employees analyzed by the OIG eligible to retire within the next decade.

An audit on hiring practices found the Postal Service generally improved its practices for timely hiring external applicants, decreasing nationwide the average time to hire by 35 percent between FYs 2021 and 2023. And while USPS reduced the number of days to hire employees, it continues to experience challenges with hiring in certain areas, specifically with getting applicants to apply for certain pre-career positions. Management disagreed with two of three recommendations to mitigate hiring issues. The two are currently in the audit resolution process.

Old	New
■ Application, online exam and in-person exam required	■ Online application and VEA
■ Interview required	■ Interview eliminated
■ Job offers extended based on interviews by facility management	■ Job offers extended by HRSSC via eCareer based on application score
■ Full NACI required and process varied by district	■ Interim NACI allows for faster onboarding

Previous Hiring Process vs. Current Hiring Process.
Source: Postal Service BLUE pages.

While postal employees can take unscheduled days off, doing so in excess can negatively affect the work environment and decrease productivity. An audit on how USPS manages employee availability found management did not always take progressive corrective action on

employees with attendance issues or address employees with zero workhours in several pay periods. Management also did not always obtain supporting medical documentation for sick leave greater than three days, which contributed to USPS incurring about $120 million annually in unsupported questioned costs. Management disagreed with the amount.

Lastly, an audit on supervisor vacancies shed light on issues affecting the postal workforce. We found USPS has generally improved its procedures and practices to decrease the number of supervisor vacancies. However, hiring challenges still exist in certain areas due to internal factors such as retirements, a lack of qualified applicants for supervisor positions, and supervisors being detailed to other positions. External factors also present hiring challenges due to specific hardships in certain geographic locations.

By addressing existing staffing and retention issues and anticipating future challenges, the Postal Service will be better equipped to serve its most valuable asset: its employees.

Looking Ahead

As the Postal Service looks to the future, it is important to consider the different laws and regulations that uniquely apply to the U.S. postal model. A white paper and its digital story provide an overview of the legal framework that guides and constrains the Postal Service.

Business or Public Service?
Insights into the Unique Laws and Regulations Applying to the Postal Service
- Research and Insights Solution Center -
United States Postal Service Office of Inspector General

Click on the above image to view the digital story on insights into laws applying to the Postal Service.

The framework of U.S. postal laws and regulations creates a unique role for USPS as both a business and a public service. To varying degrees, this framework limits the agency's flexibility in its operations and strategic decision making compared to private entities. Postal laws also define a universal service obligation to ensure minimum standards of affordable access to the postal network, and let USPS adjust many of these parameters — such as service standards — subject to review by the PRC.

Delivering *for* America

The Postal Service's future will be shaped by how it capitalizes on lessons from the present, but also the past. Declining mail volumes have made it more difficult for the Postal Service to fulfill its public service mission while remaining a self-funded entity. A white paper on historical mail volume trends provides the background behind broad mail trends and the factors driving declines in different classes of mail. Similarly, a new dashboard examines trends in mail volume by product category. While the DFA plan has had a strong focus on the package market, Market Dominant mail — which includes First-Class Mail, Marketing Mail, and Periodicals — still contributed 53 percent of USPS's revenue in FY 2023. How these trends evolve in the future will significantly impact the agency's ability to restore its profitability going forward.

A look at the Trends in Mail Volume dashboard.
Source: OIG.

Finally, the DFA plan was designed to address challenges the Postal Service faced that led to financial net losses dating back to 2007. But the plan was developed during a time of considerable uncertainty and conditions have since evolved. Our audit and digital story on the state of USPS's financial condition found DFA projections are no longer relevant, and the opportunity exists to revise projections. For instance, the plan projected positive net income starting in FY 2023, but actual results show a net loss of $950 million from operations in FY 2022 and a $6.5 billion net loss in FY 2023.

For a more detailed overview of recent DFA initiatives and their impact on postal operations and service performance, read our latest audit on the topic — the first of a series of reports, which will be issued every six months. Our dedicated DFA webpage also highlights this oversight work.

We made two recommendations for USPS to update and communicate DFA financial projections and develop a plan to track and communicate progress on DFA initiatives. The Postal Service agreed and said it intends to update the DFA plan. We look forward to examining both the updated plan and its financial projections.

Electric
Vehicles

Electric Vehicles

Key Delivering for America Initiatives

When Congress passed the Inflation Reduction Act (IRA) in August 2022, it included $3 billion to support the Postal Service's purchase of zero-emission vehicles for its delivery fleet. USPS received $1.29 billion for the vehicles themselves and another $1.71 billion for supporting infrastructure such as charging stations. The IRA allowed USPS 10 years, through FY 2031, to use the funds and provided the OIG $15 million over the same period to conduct oversight of the Postal Service's efforts in this regard.

The Postal Service has since determined it plans to purchase over 66,000 battery-electric vehicles (BEVs) as part of an overall acquisition of over 106,000 vehicles through FY 2028. Most BEVs will be Next Generation Delivery Vehicles (NGDVs), although USPS is also ordering commercial-off-the-shelf electric vehicles.

Opportunities to Improve Charging Station Deployment Timelines

The Postal Service generally combined the rollout of new electric vehicles and charging stations with its efforts to convert plants into consolidated S&DCs. An audit found USPS experienced nationwide charging infrastructure delays. The first 29 activated S&DCs were delayed by an average 219 days compared to the agency's June 2023 baseline schedule. In interviews, postal staff noted challenges that contributed to these delays, including weather, utility-specific equipment standards, and utility coordination. However, they did not always factor in these foreseeable issues when scheduling. They also did not follow schedule management best practices to establish an informed baseline or use an overarching project management system. Such a system would provide the Postal Service automated tools to collect, analyze, and use information to meet its goals.

Early delays jeopardize the Postal Service's ability to use electric vehicles, achieve aggressive business objectives, and drive fleet-related sustainability goals. USPS should explore consulting support to evaluate lessons learned to expedite adopting these best practices.

Postal management agreed with two of our three recommendations to improve charging station construction deployment processes. We are working with management to resolve the disputed recommendation.
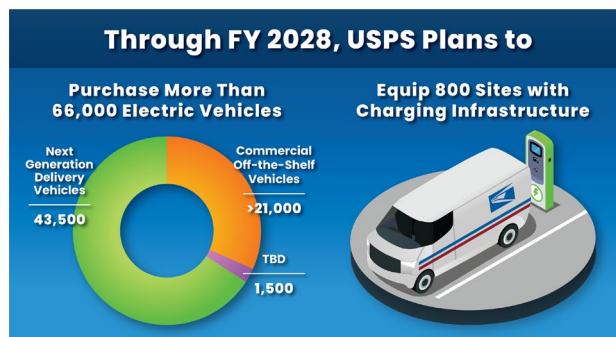
Capitalizing on Future Incentives

Given the sizable investment in its fleet modernization efforts and that $3 billion of it stems from congressional funds, it is essential for the Postal Service to capture cost savings as it executes its strategies to further strengthen the financial sustainability of this critical public service. Accordingly, USPS has opportunities to leverage a wide range of financial incentives — from government agencies, utility companies, and carbon markets — that encourage the transition to electric vehicles.

However, an audit found the Postal Service did not participate in incentive programs related to electric vehicles and requisite charging infrastructure. We identified 13 incentive programs USPS may have been eligible to participate in at 14 of 29 facilities. Further, we identified seven incentive programs across seven facilities that were available during our review, but eligibility has since ended.

Postal management stated it did not continue to pursue incentive programs, at the direction of leadership, but rather prioritized the implementation of S&DCs to drive revenue. If USPS participated in these incentive programs and carbon markets, it could potentially gain an estimated $5.48 million in funds put to better use. For the seven programs it is no longer eligible to participate in, it could have obtained $3.23 million in increased revenue.

There may be constraints associated with some of the programs' eligibility requirements and terms and conditions; however, further exploring the feasibility of participating in these programs may provide additional cost savings and revenue opportunities as the Postal Service executes its electric vehicle deployment plans to 800 facilities by the end of FY 2028. We are working with management to resolve a recommendation with which it disagreed.

For a more complete overview of our oversight of USPS's fleet modernization efforts, read our Focus On feature on electric vehicles and infrastructure.

Through FY 2028, USPS Plans to

Purchase More Than 66,000 Electric Vehicles

Next Generation Delivery Vehicles — 43,500

Commercial Off-the-Shelf Vehicles — >21,000

TBD — 1,500

Equip 800 Sites with Charging Infrastructure

Election Mail

Election Mail
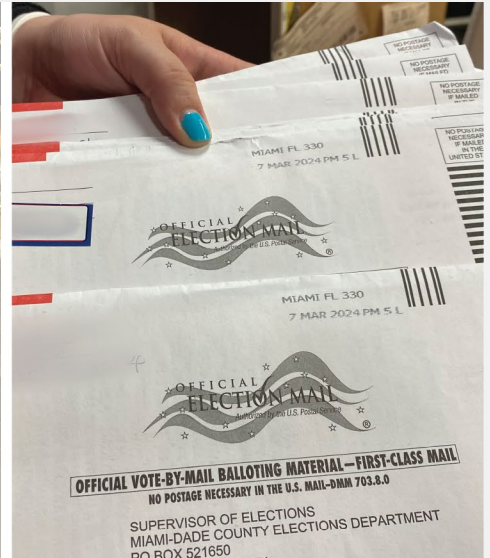
Ballots found after the all-clear certification in delivery units during election mail readiness audit for the 2024 general election.
Source: OIG photographs.

The growth of vote-by-mail options have increased the Postal Service's role in our nation's elections. As USPS's oversight agency, we are committed to verifying efficient and reliable delivery of Election and Political Mail nationwide by postal employees.

During this reporting period, our auditors evaluated USPS's readiness for the timely processing and delivery of such mail for the 2024 general election by assessing operations during state primary elections. To do this, we visited 15 mail processing facilities and 35 delivery units in 13 states and Puerto Rico. Most of these visits were during the presidential primaries in the states visited.

Between December 1, 2023, and April 30, 2024, USPS processed Election and Political Mail with on-time processing scores ranging from 97.01 to 98.17 percent. However, as a result of our observations and inquiries, we found postal staff did not always comply with policy and procedures, and we identified processes and policies that could pose a risk of delays in the processing and delivery of Election and Political Mail.

At the Atlanta RPDC, for example, management stated the Election and Political Mail processes were not properly prioritized, adding that truck wait times the day before the primary election were about 20 hours. We could not assess whether any of the trucks contained Election or Political Mail, creating a risk of delayed delivery.

We also identified issues related to some Delivering for America plan operational changes that pose additional risks to timely processing of Election Mail. For instance, we found

LTO-related processes for ballots were not fully effective at some facilities. We made 10 recommendations to address the issues identified in the report. We are working with management to resolve three recommendations with which it partially agreed or disagreed, including one to evaluate the postmarking policy and adjust as necessary to ensure all mail-in ballots receive a postmark.

Looking Ahead at the 2024 General Election

Similar to previous election cycles, our auditors and special agents plan to visit 1,000 postal facilities in all 50 states and Washington, D.C. for the general election to review processes and controls. We will use these visits to identify problems that may require immediate action by the Postal Service, and we will summarize this work in our future report on Postal Service 2024 election performance.

For more on our work in this area, visit our Election and Political Mail page.

Senior Executive Investigations

Senior Executive Investigations

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

Substantiated Allegations

1. The OIG received a complaint that a Postal Service manager mishandled a sexual harassment and sexual assault investigation when he failed to notify the Postal Inspection Service or law enforcement about the alleged sexual assault. The manager did not disclose the sexual assault complaint or evidence of the sexual harassment to Postal Labor Relations, which was responsible for overseeing sexual harassment investigations. The manager failed to separate the victim from the harasser in a timely matter, and when he did separate them, he moved the victim rather than the harasser. The manager also failed to inform the victim of her right to file a worker's compensation claim and delayed the victim's interview.

   During the investigation, the OIG also found the manager possessed a federally controlled substance, violated Information Security Policy, and violated Federal Rules of Ethics when he selected a close friend for a promotion, and lacked candor during his OIG interview.

   This investigation was not referred for prosecution. The OIG provided its Report of Investigation (ROI) to USPS for appropriate action, and the manager received a reduction in grade and pay.

2. The OIG received a complaint that a Postal Service manager failed to protect the privacy and confidentiality of a transgender postal employee when the manager disclosed the employee's name and transgender status in a memorandum to all employees at a large postal facility.

   This investigation was not referred for prosecution. The OIG provided its ROI to USPS for appropriate action and the manager was issued a Letter of Warning in Lieu of a 7-day Suspension.

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

Unsubstantiated Allegations

1. The OIG investigated an allegation that a Postal Service manager provided preferential treatment to subordinate managers due to romantic relationships. The investigation disclosed no information to substantiate the allegation.

Whistleblower Reprisal Investigations

During the reporting period, there was one substantiated whistleblower reprisal allegation.

Substantiated Allegation

1. The OIG received a whistleblower reprisal complaint that a Postal Service manager and a member of the Postal Career Executive Service (PCES) retaliated against an employee after the employee reported nepotism to the OIG. Management listed the OIG complaint as a contributing factor in paperwork associated with the employee's removal from the Postal Service and a Fitness for Duty evaluation request.

   The OIG's investigation substantiated the employee's protected disclosure was, at a minimum, a contributing factor in the manager's and PCES's decision to take personnel actions against the employee.

   The OIG provided its Report of Investigation (ROI) to the Postal Service for appropriate action. The manager was issued a Letter of Warning in Lieu of a 7-Day Suspension. During the investigation, the OIG also found the PCES violated information technology security policy, for which a separate ROI was issued (details included in the Fall FY 2023 Senior Executive section). In response to both ROIs, the Postal Service terminated the PCES.

WHISTLEBLOWER REPRISAL ACTIVITY
For the Report Period: April 1 – September 30, 2024

132 Allegations Received

0 OIG Investigations Initiated

0 Investigations Closed with No Action

134 Allegations Closed with No Action

1 OIG Found Reprisal

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 well below the goal of 95 percent on-time delivery for most mail products. These service performance challenges spanned across the year, including during the Postal Service's busiest season — Thanksgiving to New Year's Day, known as "peak season." Specifically, during the FY 2024 peak season, service performance declined for most market dominant products and all competitive products, compared to the previous peak season.

As part of its March 2021 10-year plan, Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence (hereinafter DFA), 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 standards, investing in package sorting equipment, and redesigning its mail processing and delivery facilities by introducing sorting and delivery centers (S&DC), local processing centers (LPC), and Regional Processing and Distribution Centers (RPDC).

The Postal Service also initiated a major change to operations in October 2023, when it implemented its first Local Transportation Optimization (LTO) initiative within the Richmond, VA, area. With LTO, the Postal Service will no longer transport originating mail collected at these delivery units to the processing and distribution centers the same day it is collected. Rather, mail will remain at the unit until the next day, adding extra time and potential security risks to the current process. USPS implemented LTO in 15 regions — and thousands of local offices — throughout FY 2024. At the end of FY 2024, the agency also announced plans to push LTO networkwide and rebrand the initiative to be Regional Transportation Optimization.

Critical operational challenges such as aligning staffing and 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. As network changes in processing operations were rolled out through FY 2024, service was heavily impacted in select regions. As USPS conducts more facility conversions, it can use lessons learned from the initial facilities' conversions to provide more seamless service.

Service is especially critical during elections as voting by mail continues to become more accepted. The Postal Service prioritized processing of Election Mail during the 2020 general election, and this emphasis has continued. During the 2022 mid-term elections, USPS continued to see an increase in ballots sent, and delivered 97.3 percent of identifiable and measurable ballots on-time — an increase from the 2018 and 2020 elections. During the FY 2024 primary elections, ballot and election mail both exceeded service performance goals, although our fieldwork identified process and policy deficiencies in the postal network that could put votes at risk of not being counted. Maintaining a high level of service during the 2024 general election will be critical to voters' continued trust in the Postal Service.

Inherent Tension Between Business and Government

The Postal Reorganization Act (PRA) of 1970 entrusted the Postal Service with an "obligation to provide postal services to bind the Nation together" and a mission to provide trusted and affordable universal service to the American public. Congress aimed to give USPS the management flexibility of private enterprise while maintaining government ownership and the civil service status of postal employees. It established the Postal Service as an independent agency that receives the vast majority of its funding through revenue from postage, supported by the longstanding mailbox and mail delivery monopolies rather than from congressional appropriations. As a result, unlike nearly every other federal agency, USPS is structured to be self-funded, operating in a corporate fashion.

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

The Postal Service's costs of providing universal service exceeded the value of the letter delivery and mailbox monopolies by $1.8 billion in FY 2022. At the same time, unlike private sector companies, legislation and pricing regulations

Postal Service Management Challenges

place a cap on USPS's ability to increase the price of mail products. Additionally, restraints on product diversification have mandated a "postal-only" operating model. While the private sector and many foreign postal operators have had the freedom to diversify to create new sources of revenue, the Postal Service must rely almost entirely on revenue from postal products and services. With declining mail volumes and revenue, covering the costs of universal service is becoming increasingly challenging.

To pay for operating expenses — such as labor, transportation, materials, and investment in network improvement and vehicles — the Postal Service relies almost entirely on the cash generated from the sale of products and services, investments, and borrowed funds. Approximately 74 percent of its operational budget is spent on labor, and a complex combination of private and public sector laws apply to its workforce. For instance, unlike private sector competitors, USPS has little control over the parameters of its retirement and workers' compensation programs. The agency is restricted to investing retirement assets in low-risk, low-interest federal securities, limiting the funding of retirement liabilities through potentially more lucrative investments.

The remaining 25 percent of USPS's operational budget is spent on procuring transportation, materials, and services. Procurement laws and regulations are less restrictive than those applying to other federal agencies. However, the Postal Service is required to comply with specific laws that relate to the federal purchases of products and services, creating disadvantages compared to the agility of the private sector. A unique framework also governs its borrowing authority, including to fund capital investments and operations. USPS is allowed to borrow from the U.S. Department of Treasury, through the Federal Financing Bank, and while it pays a lower interest rate on borrowed funds than private sector companies do, the annual amount of debt is capped at $3 billion, and the $15 billion total debt limit has not been adjusted in over 30 years.

Several key aspects of the Postal Service's legal framework may impact its ability to make and implement strategic business decisions. First, as a government entity, it is subject to oversight by multiple government entities. This oversight helps ensure good and transparent governance principles, informs public discussion and debate, influences strategic decision making, and identifies fraud, waste, and abuse. USPS is distinct, however, from private sector companies where such issues and discussions generally remain internal. Second, restrictions on the tenure of the Postal Service's

Governors may affect decision-making, as well as the retention of institutional knowledge. In early 2024, the seven non-management governors on the Board had served an average of three years; meanwhile, the average tenure of a member of a board of directors in a publicly traded company is about 10 years.

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

Financial Challenges and Business Constraints

The Postal Service has a history of financial net losses dating back to 2007, when the Postal Accountability and Enhancement Act was enacted, which was then followed by the Great Recession. The losses from FY 2007 through FY 2023 totaled $98 billion. In March 2021, the Postal Service sought to address these challenges through its DFA plan, with a primary goal of achieving break-even operations by generating enough revenue to cover operating costs and obligations. The plan also includes $40 billion in capital investments, $24 billion in revenue improvements, $34 billion in management cost savings, $44 billion in regulatory changes, and $58 billion in legislative and administrative actions to improve financial performance.

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

Additionally, in the past four years, the Postal Service received $10 billion from the Coronavirus Aid, Relief, and Economic Security Act to assist in covering costs due to the COVID-19 pandemic. It also received $3 billion from the Inflation Reduction Act to help with implementation of electric vehicles and charging infrastructure.

Postal Service Management Challenges

In terms of actual performance over the last two years, the Postal Service reported a net loss of $950 million[4] from operations in FY 2022 and a $6.5 billion net loss in FY 2023. Even though USPS was able to achieve substantial revenue growth — primarily through its price increases for market-dominant products — mail volume continued to decline, and costs continued to increase. The Postal Service continues to be threatened by changes in consumer and business behavior, growing costs, increasing competition from electronic alternatives and new market entrants, and uncertainty in mailing and shipping markets. In addition, as of FY 2023, Civil Service Retirement System and Federal Employees Retirement System liabilities as well as Retiree Health Benefit liabilities exceeded assets by $113.8 billion.

When we evaluated FYs 2022 and 2023 actual results against DFA plan projections, we confirmed that severe inflation and slower-than-planned progress on DFA initiatives contributed to the Postal Service not achieving its projected results. During FYs 2022 and 2023, the U.S. experienced the highest inflation rates since the 1980s, which significantly impacted USPS's labor costs, the estimation of future liabilities, and the value of cash on hand. Shortfalls or delays in implementation of the plan will place additional pressure on the Postal Service's liquidity and financial results. As a result, USPS may not have sufficient liquidity to meet its existing legal obligations 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.

In FY 2025, the Postal Service will focus on operations at 13 RPDCs through which all mail within a metro area will flow. These regional centers are aimed at gaining efficiencies through a better mailflow throughout the facility. Additionally, USPS is focusing on operating and opening 42 LPCs that are designed to connect RPDCs to delivery operations to sort letter and flat mail for delivery. These will also serve as transfer centers to aggregate product on its way to delivery. Creating the LPCs is designed to promote standardized operations across regions and provide specific management focus on local letter and flat operations. Further, the Postal Service continues to combine delivery units into larger S&DCs and plans to have 93 by the start of FY 2025. This

shift allows deployment of package processing machines at the S&DCs and promotes standardized management of delivery operations. These initiatives are intended to help improve service and reduce costs by decreasing the number of times mail is handled and reducing transportation. These moves require complex planning as well as machine removals, repurposing equipment, and additional machine installations. While some facilities will repurpose existing USPS properties, other facilities will be in new spaces.

In addition to changes in its facilities, USPS is also in the process of rolling out a new delivery fleet. Its 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 over 106,000 new vehicles, with more than 60 percent 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 could enable the increased electrification of the delivery fleet over the next five years.

The Postal Service released its strategic plan underpinning the electric vehicle deployment in June 2023 and began rolling out charging infrastructure installation and upgrades to support the vehicle rollout over the next several years. However, implementation is proving to be complex and challenging. The agency experienced nationwide charging infrastructure construction delays — an average 219 days compared to its June 2023 baseline schedule. As of June 2024, USPS acquired over 22,500 new delivery vehicles (almost all with internal combustion engines). Timely acquisition of these vehicles was mixed, with some arriving on time, while others experienced months-long delays due to supplier design, production, and supply chain issues, or inadequate Postal Service infrastructure preparedness.

Workforce Challenges

The Postal Service stated in its DFA plan it wants to be an "employer of choice" that hires, develops, and retains the most capable and diverse employees. USPS had over 525,000 career employees, and over 115,000 pre-career employees, from truck drivers to retail clerks, in FY 2023. The Postal Service's success hinges on the effectiveness of its workforce. It is critical for the agency to engage with its employees and unions during the network changes and take steps to address its longstanding recruitment and retention challenges.

---

4   This does not include the one-time, non-cash reversal of past due retiree health benefits obligations that were canceled by the PSRA of 2022.

Postal Service Management Challenges

From FYs 2021 through 2023, the Postal Service generally improved the amount of time it took to hire pre-career employees as well as first-level supervisors. However, significant challenges remain with filling vacancies in certain locations around the country, overall retention, and managing employee availability. In FY 2023, USPS hired nearly 130,000 pre-career applicants; however, 18 percent of new hires did not report for their first day of work, and 33 percent of those who did report were no longer working after 90 days. In addition, we found from FYs 2021 to 2023, the Postal Service posted over 700,000 pre-career positions, but more than half did not receive any applications. Further, USPS's employee availability trended downward from 84.4 percent in FY 2020 to 82.8 percent in FY 2023. Insufficient staffing can increase the use of overtime and contribute to delayed mail. Further, communication to employees and supervisors on new expectations and changes in workflow will be critical as the DFA plan is implemented.

Additionally, employees are represented by various unions and management associations. Relationships between labor and management are complex. The various union contracts and local agreements can limit management's ability to make efficient, day-to-day operational decisions. The Postal Service ratified some labor deals with unions in FYs 2022 and 2023, but negotiations and relationship management are continuous.

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, and sometimes using USPS accountable property, like arrow keys and collection boxes, to steal mail. Both the distribution of narcotics through the mail and theft of valuables from the mail can undermine trust in the Postal Service.

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

The Postal Service has reacted to risks within the network by developing stronger controls over the management of third-party entities that have a role in mail delivery, like Commercial Mail Receiving Agencies. Specifically, USPS began implementing a centralized and automated process that houses the commercial agencies and private mailbox customer information, allowing for enhanced visibility and oversight to detect and prevent fraudulent or illegal activity. In addition, the Postal Service has continued to rely on detection equipment and NARCAN in its processing facilities to help keep employees safe in case a package or letter with contaminants is being processed in a plant. For instance, during the 2024 primary election, law enforcement found letters containing fentanyl being sent to Boards of Election in specific states. Continued diligence in this area is important to keeping postal employees and customers safe.

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 using online criminal marketplaces. USPS is working to mitigate mail theft by deploying more secure mail collection boxes and implementing initiatives for enhanced security around arrow keys. Lost and stolen keys continue to be a consistent issue in delivery units across the nation, even with these improved controls. The Postal Service continues to test other initiatives to enhance arrow key and collection box security, as well as reinforcing its policies around maintaining collection boxes to prevent mail theft. However, USPS experienced challenges in the rollout of mail theft mitigation initiatives due to the lack of a communication strategy to timely deploy and install these initiatives nationwide. It also experienced challenges with postal facilities not following arrow key accountability procedures and the inability to track initiatives in existing systems at a local level. This has caused delays in USPS's ability to better protect the mail and its employees.

The Postal Inspection Service also serves a role in addressing mail theft and narcotics trafficking, as well as other criminal activity. Criminal investigations and data analytics to support those investigations continue to address the problem of theft and narcotics in the mail. However, concerns persist around mail theft prevention and detection efforts and illicit materials being sent through the domestic postal network.

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, the agency launched its USPS

Postal Service Management Challenges

Connect suite of solutions including Connect eCommerce in 2022, created solution selling processes, and aligned product simplification and improvements with network modernization and cost reduction initiatives. Then, in July 2023, it launched USPS Ground Advantage, a new shipping product that consolidated three previously offered ground services into one single ground shipping option. According to the Postal Service, this new shipping option provides a simple, reliable, and more affordable way to ship packages up to 70 pounds in two-to-five business days.

Postal Service package volume increased during the pandemic but declined by 3.6 percent since the surge. USPS employed pricing increases since 2020, which compensated and drove revenue growth of almost 11 percent. However, the marketplace remains extremely competitive. Overall, United States package shipping activity increased by 0.5 percent since 2022, but the revenue in 2023 declined for the first time in seven years, reflecting extra capacity and an increasingly competitive space.

Mail volume continues to decline as the mix and types of mail continue to evolve. Digital advertising, electronic bill pay, and email correspondence continue to negatively affect letter mail volume, resulting in a 52 and 43 percent decline of First-Class and Marketing Mail volume, respectively, since its peak in 2006.

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

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 the Postal Service remains competitive. The technological infrastructure must have the ability to meet these demands as well as the flexibility to continually adjust to the ever-changing business and regulatory environment.

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

As these technology upgrades occur, it is critical for the Postal Service to address potential cybersecurity challenges proactively and provide continuous monitoring of its network. Further, as information technology, operational technology, and the cyber threat landscape evolves, security continues to be an ongoing challenge, especially for one of the world's largest IT networks connecting 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 USPS website, where employees unwittingly provided their postal system access information. The criminals used the information to access the agency's online employee portal and adjust direct deposit information for employees who had provided their login credentials. While the Postal Service has since implemented multifactor authentication to further protect employees as they access this system, it is imperative for it to develop a strategy to mitigate other risks within its IT network. This includes performing periodic and timely risk assessments and prioritizing outdated legacy systems to provide a reliable and secure network for its employees and customers.

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, 2024

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	39	—	—	—	—
Finance, Pricing & Human Capital	13	—	$239,729,537	$239,729,537	—
Inspection Service, Technology & Services	8	$2,592,917	$2,149,875*	—	$65,538
Mission Operations	11	$2,217,348	$200,520,197*	$198,850,166	—*
Retail, Marketing & Supply Management	5	$5,484,000	—	—	$12,127,200*
Subtotal	**76**	**$10,294,265**	**$442,399,609 ***	**$438,579,703**	**$12,192,738***
PRC	2	—	—	—	—
RISC	4	—	—	—	—
Total	**82**	**$10,294,265**	**$442,399,609***	**$438,579,703**	**$12,192,738***

For the period: October 1, 2023 – September 30, 2024

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	71	—	—	—	—
Finance, Pricing & Human Capital	21	—	$239,729,537	$239,729,537	—
Inspection Service, Technology & Services	12	$2,592,917	$2,149,875	—	$65,538
Mission Operations	16	$2,217,348	$240,112,151	$206,819,251	—
Retail, Marketing & Supply Management	11	$5,484,000	$29,445,633	—	$31,731,761
Subtotal	**131**	**$10,294,265**	**$511,437,196**	**$446,548,788**	**$31,797,299**
PRC	2	—	—	—	—
RISC	8	—	—	—	—
Total	**141**	**$10,294,265**	**$511,437,196**	**$446,548,788**	**$31,797,299**

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

Appendix A: Reports Issued to Postal Service Management

Reports with Quantifiable Potential Monetary Benefits

For the period: April 1 - September 30, 2024

	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue Impact
Finance, Pricing & Human Capital					
Human Capital Management					
Employee Availability, 23-175-R24, 8/29/2024	1	—	$239,729,537	$239,729,537	—
Inspection Service, Technology & Services					
Cybersecurity & Technology					
After-Action Review of Unauthorized Access to USPS Employee Self-Service Portal, 23-134-R24, 6/6/2024	1	—	—*	—	—
Security of Postal Service Smartphones, 24-009-R24, 7/26/2024	1	$2,592,917	$2,149,875	—	—
USPS Inspection Service					
U.S. Postal Service Emergency Preparedness: Hurricane Ian, 24-041-R24, 5/29/2024	1	—	—	—	$65,538
Mission Operations					
Delivery Operations					
Measuring Performance of Sorting and Delivery Centers, 24-040-R24, 9/25/2024	1	—	$1,420,862	—	—
Network Processing					
Planning and Deployment of the Matrix Regional Sorter, 24-049-R24, 9/5/2024	1	$2,217,348	—	—	—
Transportation					
Sorting and Delivery Center Impacts in the Florida 1 District, 23-171-R24, 5/28/2024	1	—	—*	—	—*
Evaluation of Freight Auction, 23-162-R24, 8/6/2024	1	—	$199,099,335	$198,850,166	—
Retail, Marketing & Supply Management					
Infrastructure and Supply Management					
Fleet Modernization – Electric Vehicle and Charging Infrastructure Incentives, 24-038-R24, 6/27/2024	1	$5,484,000	—	—	$3,234,000
Retail					
Service Optimization: Post Office Boxes, 24-017-R24, 9/6/2024	1	—	—	—	$8,893,200
Sales, Marketing & International					
ePostage Oversight, 23-149-R24, 8/8/2024	1	—	—	—	—*
Total	**11**	**$10,294,265**	**$442,399,609 ***	**$438,579,703**	**$12,192,738***

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

Appendix A: Reports Issued to Postal Service Management

Report Listing

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

For the period: April 1 - September 30, 2024

Field Operations

Field Operations Atlantic and WestPac

Brighton Main Post Office, Brighton, CO: Delivery Operations, 24-137-1-R24, 9/24/2024

Brookland Station in Washington, D.C.: Delivery Operations, 24-065-1-R24, 4/11/2024

East Bay Station in Charleston, SC: Delivery Operations, 24-117-1-R24, 8/13/2024

Edgewater Branch, Lakewood, CO: Delivery Operations, 24-137-2-R24, 9/24/2024

Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC, 24-116-R24, 8/13/2024

Efficiency of Operations at the Curseen-Morris Processing and Distribution Center, Washington, D.C., 24-063-R24, 4/11/2024

Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO, 24-136-R24, 9/24/2024

Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL, 24-084-R24, 6/7/2024

Florida 1 District: Delivery Operations, 24-085-R24, 8/7/2024

Lake Jackson Station, Tallahassee, FL: Delivery Operations, 24-085-1-R24, 6/7/2024

Lammond Riggs Station in Washington, D.C.: Delivery Operations, 24-065-2-R24, 4/11/2024

Leon Station, Tallahassee, FL: Delivery Operations, 24-085-2-R24, 6/7/2024

Maryland District: Delivery Operations in Washington, D.C., 24-065-R24, 6/11/2024

Mile High Station in Denver, CO: Delivery Operations, 24-137-3-R24, 9/24/2024

Mount Pleasant Post Office, Mount Pleasant, SC: Delivery Operations, 24-117-2-R24, 8/13/2024

North Charleston Branch, North Charleston, SC: Delivery Operations, 24-117-3-R24, 8/13/2024

South Carolina District: Delivery Operations, 24-117-R24, 9/26/2024

Stockyards Station, Denver, CO: Delivery Operations, 24-137-4-R24, 9/24/2024

Ward Place Carrier Annex in Washington, D.C.: Delivery Operations, 24-065-3-R24, 4/11/2024

Westside Station, Tallahassee, FL: Delivery Operations, 24-085-3-R24, 6/7/2024

Field Operations Central and Southern

Bayamon Post Office, Bayamon, PR: Delivery Operations, 24-079-1-R24, 5/22/2024

Center Point Branch, Center Point, AL: Delivery Operations, 24-125-1-R24, 9/9/2024

Delivery in Northern Minnesota, 24-048-R24, 5/6/2024

Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL, 24-129-R24, 9/9/2024

Efficiency of Operations at the Kansas City Processing and Distribution Center, Kansas City, MO, 24-106-R24, 7/15/2024

Efficiency of Operations at San Juan Mail Processing Annexes in Carolina, PR, 24-078-R24, 5/22/2024

Guaynabo Post Office in Guaynabo, PR: Delivery Operations, 24-079-3-R24, 5/22/2024

Hickman Mills Station, Kansas City, MO: Delivery Operations, 24-107-1-R24, 7/15/2024

Kansas-Missouri District: Delivery Operations, 24-107-R24, 9/13/2024

Minnesota-North Dakota District: Delivery Operations, 24-032-R24, 6/5/2024

Northport Post Office, Northport, AL: Delivery Operations, 24-125-2-R24, 9/9/2024

Puerto Rico District: Delivery Operations, 24-079-R24, 6/28/2024

Robert L. Roberts Station in Kansas City, KS: Delivery Operations, 24-107-2-R24, 7/15/2024

Shawnee Mission Post Office, Mission, KS: Delivery Operations, 24-107-3-R24, 7/15/2024

Toa Baja Post Office, Toa Baja, PR: Delivery Operations, 24-079-2-R24, 5/22/2024

Tuscaloosa Main Post Office, Tuscaloosa, AL: Delivery Operations, 24-125-3-R24, 9/9/2024

Seasonal Performance and PRC

Alert - Mail Conditions at South Houston Local Processing Center, 24-050-1-R24, 4/10/2024

Election Mail Readiness for the 2024 General Election, 24-016-R24, 7/30/2024

Service Performance During the Fiscal Year 2024 Peak Mailing Season, 24-050-R24, 8/26/2024

Appendix A: Reports Issued to Postal Service Management

Finance, Pricing & Human Capital

Cost & Pricing

Impact of Management Operating Data System on U.S. Postal Service Costing, 24-019-R24, 5/16/2024

U.S. Postal Service Ground Advantage Billing Determinant Calculation Process, 24-101-R24, 8/20/2024

Finance

Bank Secrecy Act Compliance Program, 24-043-R24, 8/5/2024

Fiscal Year 2024 Draft Form 10-Q Financial Report for the Quarterly Period Ended June 30, 2024, 24-130-R24, 8/5/2024

Fiscal Year 2024, Draft Form 10-Q Financial Report for the Quarterly Period Ended March 31, 2024, 24-095-R24, 5/6/2024

Independent Report on Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the U.S. Office of Personnel Management, 24-103-R24, 9/11/2024

Invoice and Payment Processes for Inflation Reduction Act Funds, 24-042-R24, 7/24/2024

State of the U.S. Postal Service Financial Condition, 23-167-R24, 6/21/2024

The OIG's Oversight of the U.S. Postal Service's Delivering for America Plan, 24-102-R24, 9/30/2024

Human Capital Management

Employee Availability, 23-175-R24, 8/29/2024

Postal Service Hiring Practices, 23-145-R24, 4/24/2024

Postal Service's Adverse Weather Condition Procedures, 24-064-R24, 8/14/2024

Supervisor Vacancies, 23-172-R24, 7/17/2024

Inspection Service, Technology & Services

Audit Services

Fiscal Year 2023 Decision Analysis Report Summary, 24-073-R24, 4/10/2024

Cybersecurity & Technology

After-Action Review of Unauthorized Access to USPS Employee Self-Service Portal, 23-134-R24, 6/6/2024

Legacy Systems at the U.S. Postal Service, 24-010-R24, 6/3/2024

Security of Postal Service Smartphones, 24-009-R24, 7/26/2024

Inspection Service

Mail Theft Mitigation and Response – Chicago, IL, 24-100-R24, 9/18/2024

Mail Theft Mitigation and Response - Queens, NY, 24-037-R24, 5/21/2024

Mail Theft Mitigation and Response - San Francisco, CA, 24-099-R24, 8/30/2024

USPS Emergency Preparedness: Hurricane Ian, 24-041-R24, 5/29/2024

Mission Operations

Delivery Operations

Effectiveness of Package Shipping Services, 24-013-R24, 7/12/2024

Measuring Performance of Sorting and Delivery Centers, 24-040-R24, 9/25/2024

Network Processing

Accuracy of Reported Service Performance, 23-168-R24, 6/26/2024

Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA, 24-074-R24, 8/28/2024

Impacts Associated with Local Transportation Optimization in Richmond, VA, 23-161-1-R24, 4/12/2024

Planning and Deployment of the Matrix Regional Sorter, 24-049-R24, 9/5/2024

Service Performance of the New Sorting and Delivery Center in Binghamton, NY, 24-069-R24, 7/25/2024

Transportation

Effectiveness of the New Regional Processing and Distribution Center in Portland, OR, 24-071-R24, 9/19/2024

Evaluation of Freight Auction, 23-162-R24, 8/6/2024

Scanning Compliance and Oversight of Dock Operations, 23-164-R24, 4/12/2024

Sorting and Delivery Center Impacts in the Florida 1 District, 23-171-R24, 5/28/2024

Retail, Marketing & Supply Management

Infrastructure & Supply Management

Fleet Modernization – Electric Vehicle and Charging Infrastructure Incentives, 24-038-R24, 6/27/2024

Retail

Network Modernization: The Changing Role of Postmasters, 24-025-R24, 5/22/2024

Service Optimization: Post Office Boxes, 24-017-R24, 9/6/2024

Sales, Marketing & International

ePostage Oversight, 23-149-R24, 8/8/2024

Fleet Modernization - Charging Station Deployment Timelines, 23-170-R24, 7/16/2024

Appendix A: Reports Issued to Postal Service Management

White Paper Listing

Complete listing of all OIG white papers issued to Postal Service management.

For the period: April 1 - September 30, 2024

Office of Audit

The OIG's Oversight of the U.S. Postal Service's Delivering for America Plan, 24-102-R24, 9/30/2024

Research and Insights Solution Center

Sending It Back: Reverse Logistics and the U.S. Postal Service, RISC-RI-24-005, 5/23/2024

Business or Public Service? Insights into the Unique Laws and Regulations Applying to the Postal Service, RISC-WP-24-006, 8/2/2024

Examining Trends in the Postal Service's Workforce Composition, RISC-RI-24-007, 8/15/2024

Analysis of Historical Mail Volume Trends, RISC-WP-24-008, 9/4/2024

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

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

Office of Audit

Fiscal Year 2024 Draft Form 10-Q Financial Report for the Quarterly Period Ended March 31, 2024, 24-095-R24, 5/6/2024

Fiscal Year 2024 Draft Form 10-Q Financial Report for the Quarterly Period Ended June 30, 2024, 24-130-R24, 8/5/2024

Fiscal Year 2023 Decision Analysis Report Summary, 24-073-R24, 4/10/2024

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, 2024

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	1	—	—	—	—
Inspection Service, Technology & Services	1	—	—	—	—
Total	**2**	**—**	**—**	**—**	**—**

Reports with Quantifiable Potential Monetary Benefits

For the period: April 1 - September 30, 2024

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

Report Listing

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

For the period: April 1 - September 30, 2024

Field Operations

Seasonal Performance and PRC

PRC Strategic Objectives: Year One of Five-Year Plan, 23-160-R24, 6/28/2024

Inspection Service, Technology & Services

Cybersecurity & Technology

Review of the Postal Regulatory Commission's Compliance With the Federal Information Security Modernization Act of 2014 for Fiscal Year 2024, 24-097-R24, 9/27/2024

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, 2023 – September 30, 2024

Risk Categories	Number of Reports	Funds Put to Better Use	Questioned Costs	Unsupported Questioned Costs	Revenue
Field Operations	71	—	—	—	—
Finance, Pricing & Human Capital	21	—	$239,729,537	$239,729,537	—
Inspection Service, Technology & Services	12	$2,592,917	$2,149,875	—	$65,538
Mission Operations	16	$2,217,348	$240,112,151	$206,819,251	—
Retail, Marketing & Supply Management	11	$5,484,000	$29,445,633	—	$31,731,761
Subtotal	**131**	**$10,294,265**	**$511,437,196**	**$446,548,788**	**$31,797,299**
PRC	2	—	—	—	—
RISC	8	—	—	—	—
Peer Review*	2	—	—	—	—
Total	**143**	**$10,294,265**	**$511,437,196**	**$446,548,788**	**$31,797,299**

*Note: See Appendix G for details.

Appendix B: Findings of Questioned Costs

For the period: April 1 - September 30, 2024

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		6	$442,399,609*	$438,579,703
Reports for which a management decision was made during the reporting period (i+ii)		6	$442,399,609*	$438,579,703
Reports for which a management decision was made during the reporting period	(i) Disallowed	1	$2,900,000	$2,900,000
Reports for which a management decision was made during the reporting period	(ii) Not Disallowed	6	$439,499,609*	$435,679,703
Reports for which no management decision was made by the end of the reporting period		—	—	—
Total		**6**	**$442,399,609***	**$438,579,703**

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

Appendix C: Recommendations That Funds Be Put to Better Use

For the period: April 1 - September 30, 2024

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	—	3	$10,294,265
Reports for which a management decision was made during the reporting period (i+ii):	—	3	$10,294,265
(i) Recommendations that were agreed to by management	—	—	—
(ii) Recommendations that were not agreed to by management	—	3	$10,294,265
Reports for which no management decision was made by the end of the reporting period	—	—	—
Total	**—**	**3**	**$10,294,265**

Appendix D: Other Impacts

For the period: April 1 - September 30, 2024

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	
After-Action Review of Unauthorized Access to USPS Employee Self-Service Portal, 23-134-R24, 6/6/2024	1
Efficiency of Operations at the Curseen-Morris Processing and Distribution Center, Washington, D.C., 24-063-R24, 4/11/2024	1
Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO, 24-136-R24, 9/24/2024	1
Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL, 24-084-R24, 6/7/2024	1
Assets or Accountable Items at Risk Total	**4**
Data Integrity	
Delivery in Northern Minnesota, 24-048-R24, 5/6/2024	2
Efficiency of Operations at San Juan Mail Processing Annexes in Carolina, PR, 24-078-R24, 5/22/2024	1
Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL, 24-129-R24, 9/9/2024	1
Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC, 24-116-R24, 8/13/2024	3
Efficiency of Operations at the Curseen-Morris Processing and Distribution Center, Washington, D.C., 24-063-R24, 4/11/2024	2
Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO, 24-136-R24, 9/24/2024	2
Efficiency of Operations at the Kansas City Processing and Distribution Center, Kansas City, MO, 24-106-R24, 7/15/2024	1
Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL, 24-084-R24, 6/7/2024	3
Kansas-Missouri District: Delivery Operations, 24-107-R24, 9/13/2024	1
Minnesota-North Dakota District: Delivery Operations, 24-032-R24, 6/5/2024	2
Puerto Rico District: Delivery Operations, 24-079-R24, 6/28/2024	5
South Carolina District: Delivery Operations, 24-117-R24, 9/26/2024	1
Data Integrity Total	**24**
Goodwill Branding	
Delivery in Northern Minnesota, 24-048-R24, 5/6/2024	4
Effectiveness of the New Regional Processing and Distribution Center in Portland, OR, 24-071-R24, 9/19/2024	2
Efficiency of Operations at San Juan Mail Processing Annexes in Carolina, PR, 24-078-R24, 5/22/2024	3
Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL, 24-129-R24, 9/9/2024	5
Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC, 24-116-R24, 8/13/2024	9
Efficiency of Operations at the Curseen-Morris Processing and Distribution Center, Washington, D.C., 24-063-R24, 4/11/2024	7
Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO, 24-136-R24, 9/24/2024	5
Efficiency of Operations at the Kansas City Processing and Distribution Center, Kansas City, MO, 24-106-R24, 7/15/2024	4
Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL, 24-084-R24, 6/7/2024	7

Description and Reports	Number of Recommendations
Election Mail Readiness for the 2024 General Election, 24-016-R24, 7/30/2024	6
Florida 1 District: Delivery Operations, 24-085-R24, 8/7/2024	5
Kansas-Missouri District: Delivery Operations, 24-107-R24, 9/13/2024	3
Mail Theft Mitigation and Response – Queens, NY, 24-037-R24, 5/21/2024	1
Minnesota-North Dakota District: Delivery Operations, 24-032-R24, 6/5/2024	6
Network Modernization: The Changing Role of Postmasters, 24-025-R24, 5/22/2024	2
Puerto Rico District: Delivery Operations, 24-079-R24, 6/28/2024	6
Service Optimization: Post Office Boxes, 24-017-R24, 9/6/2024	1
Service Performance During the Fiscal Year 2024 Peak Mailing Season, 24-050-R24, 8/26/2024	1
South Carolina District: Delivery Operations, 24-117-R24, 9/26/2024	2
Goodwill Branding Total	**79**
Improved Services	
Florida 1 District: Delivery Operations, 24-085-R24, 8/7/2024	5
Kansas-Missouri District: Delivery Operations, 24-107-R24, 9/13/2024	3
Minnesota-North Dakota District: Delivery Operations, 24-032-R24, 6/5/2024	5
Network Modernization: The Changing Role of the Postmaster, 24-025-R24, 5/22/2024	2
Puerto Rico District: Delivery Operations, 24-079-R24, 6/28/2024	4
Service Optimization: Post Office Boxes, 24-017-R24, 9/6/2024	2
South Carolina District: Delivery Operations, 24-117-R24, 9/26/2024	2
Improved Services Total	**23**
Safety and Security	
Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL, 24-129-R24, 9/9/2024	2
Efficiency of Operations at the Curseen-Morris Processing and Distribution Center, Washington, D.C., 24-063-R24, 4/11/2024	2
Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO, 24-136-R24, 9/24/2024	1
Efficiency of Operations at the Kansas City Processing and Distribution Center, Kansas City, MO, 24-106-R24, 7/15/2024	1
Efficiency of Operations at San Juan Mail Processing Annexes in Carolina, PR, 24-078-R24, 5/22/2024	1
Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL, 24-084-R24, 6/7/2024	2
Minnesota-North Dakota District: Delivery Operations, 24-032-R24, 6/5/2024	2
Puerto Rico District: Delivery Operations, 24-079-R24, 6/28/2024	3
Safety and Security Total	**14**
Total	**144**

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

Delivery in Northern Minnesota, 24–048–R24, 5/6/2024

Minnesota–North Dakota District: Delivery Operations, 24–032–R24, 6/5/2024

Appendix E: Reports with Recommendations Pending Corrective Actions

For the period: April 1 - September 30, 2024

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
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 supervisors' ability to enter continuation of pay hours when the 45-day limit is reached. TID: October 2024.	$37,213
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: December 2024.	—
21-264-R22	5/27/22	Supplier Qualifications	*R-2*	Update Supplying Principles & Practices to require contracting officers to identify key personnel by name and labor category and document qualification approval in the contract file at contract award and when issuing modifications of key personnel substitutions. TID: December 2024.	—
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
21-262-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.	—
21-173-R23	1/9/23	U.S. Postal Service's Response to Sexual Harassment Complaints	*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: October 2024.	—
22-187-R23	3/27/23	Service Performance of Election Mail for the 2022 Mid-term 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
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: December 2024.	—
21-239-R23	5/17/23	U.S. Postal Service's Plans to Resolve Post Office Suspensions	*R-2*	Develop a process to formally document and monitor implementation of current and future plans to resolve post office suspensions as reported in the *Annual Compliance Reports*. TID: January 2025.	—
			R-3	Develop and implement formally documented quality assurance processes over the data in the post office suspension tracking system. TID: October 2024.	—
22-166-R23	6/29/23	Flats Cost Coverage	*R-1*	Further collaborate with stakeholders from the mailing industry to develop and implement initiatives with specific, measurable objectives to directly reduce Flats costs and address the causes of inefficiencies in Flats operations identified by the PRC. TID: January 2024.	—
23-089-R23	8/10/23	Repair and Maintenance of Package Sorting Machines at Delivery Units	*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.	—

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
23-112-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: November 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: October 2024.	—
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.	—
23-072-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 2025.	—
			R-2	Develop a comprehensive communication strategy for a new loyalty program that promotes awareness of functionality for prospective, and once enrolled, ongoing customers. TID: September 2025.	—
			R-3	Conduct an evaluation of customer spending requirements and discounts related to any future loyalty program to ensure the program's design promotes customer engagement and shipping growth. TID: September 2025.	—
23-033-R23	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.	—
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.	—
22-185-R23	09/29/23	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: February 2025.	—
22-194-R23	09/29/23	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.	—
23-060-R24	10/24/23	Processing of Retroactive Pay	R-1	Require that the new payroll system be able to execute retroactive pay's complex processing when assessing, reviewing, and selecting a new vendor. TID: October 2024.	—
23-150-R24	11/28/23	Efficiency of Operations at the North Houston Processing and Distribution Center, Houston, TX	R-1	Analyze current sort plans and adjust package processing operations to meet clearance times at the North Houston Processing and Distribution Center. TID: October 2024.	—
23-130-R24	12/05/23	Delivery and Customer Service in Colorado Mountain Towns	R-2	Explore the feasibility of increasing personnel pay in Colorado mountain towns based on locality, including tracking all expenses for personnel detailed to these locations and other hiring costs.	—

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
22-197-R24	12/08/23	Security Assessment of a U.S. Postal Service Product Solutions Application	R-1	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: November 2024.	—
23-137-R24	12/15/23	Processing and Delivery of Veterans Affairs Medicine	R-3	Develop and implement a control to prevent improper duplicate "Delivered" scans on the same package, including VA Pharmacy packages.	—
23-059-R24	12/29/23	Fleet Modernization – Electric Vehicle Charging Stations Acquisition	R-1	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: January 2025.	—
23-038-R24	01/09/24	Parcel Return Service – Consolidator Payment and Refund Errors	R-1	Strengthen the Parcel Return Service manifest verification process by incorporating the facility type as a required parameter. TID: February 2025.	$48,982,794
			R-4	Develop and maintain an accurate list of active return delivery units in the Facilities Database. TID: January 2025.	—
			R-5	Enhance the Parcel Return Service refund review process to include an automated validation to verify that refunds are warranted, including an assessment of whether the return delivery units that received the packages were active at the time of mailing. TID: February 2025.	—*
22-199-R24	01/25/24	Site Technical Assessment Review – January 2024	R-1	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: September 2026.	—
			R-3	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: December 2024.	—
			R-6	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: December 2024.	—
			R-7	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: December 2024.	—
			R-8	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: December 2024.	—
			R-9	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-10	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-11	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-12	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-13	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: February 2025.	—
			R-14	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—

Appendix E: Reports with Recommendations Pending Corrective Actions

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
22-174-R24	02/13/24	U.S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment	R-1	Develop and require all users to complete Electronic/Technical Surveillance Tracking System training and maintain documentation of training completion. TID: November 2024.	—
			R-2	Develop a verification process for annual physical equipment inventories to account for all equipment as required by the Inspection Service Manual. TID: November 2024.	—
			R-3	1) Review all postal inspectors with assigned equipment and validate they are active employees, 2) retrieve equipment from postal inspectors who separated from the agency, and 3) update the status and assignment of all equipment in the Electronic/Technical Surveillance Tracking System. TID: January 2025.	—
			R-4	Implement a process, including defining roles and responsibilities, to review and update Postal Inspection Service policies and related documents timely. TID: November 2024.	—
			R-5	Update the Inspection Service Manual to 1) define, track, and maintain technical surveillance equipment, 2) assign the Radio Communications Program to the Communications, Governance, and Strategy group, and 3) replace all references of the National Asset Tracking System with the correct equipment inventory system. TID: November 2024.	—
			R-6	Develop a standard operating procedure to assign Electronic/Technical Surveillance Tracking System user roles based on individuals' roles and responsibilities and to update or remove user roles when postal inspectors transfer jobs or separate from the agency. In addition, review current users of the system and determine if the roles need to be modified or removed in accordance with Postal Service policy. TID: November 2024.	—
			R-7	Review user roles in the Electronic/Technical Surveillance Tracking System and implement additional roles, as needed, to allow for the appropriate segregation of duties. TID: November 2024.	—
			R-8	Implement audit logs containing user activity for creating, assigning, editing, and removing user roles in the Electronic/Technical Surveillance Tracking System. TID: January 2025.	—
			R-9	Resolve Electronic/Technical Surveillance Tracking System functionality errors preventing users from temporarily transferring, temporarily assigning, and recording the final disposition of law enforcement surveillance equipment, including digital signature capability. TID: January 2025.	—
23-131-R24	02/14/24	Procedures for Calculating Workshare Discounts for Letters	R-1	Develop and implement detailed procedures for calculating avoided costs and setting workshare discounts of First-Class Mail and Marketing Mail letters. TID: August 2024.	—
			R-2	Develop and implement a process to regularly review non-recurring data inputs for First-Class Mail and Marketing Mail letter cost models to formally document whether they need to be updated. TID: August 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
23-088-R24	02/27/24	Contract Trucking Safety and Compliance	R-2	Require freight auction brokers to report subcontractor authorization and vetting and develop a system of record to maintain the reported results.	—
			R-4	Develop requirements and implement a mechanism to track highway contract route contractors and the subcontractors they utilize.	—
			R-5	Communicate and create a mechanism to validate the use of team drivers for trips that exceed 500 miles, update freight auction statements of work, and terminate contractors who are non-compliant.	—
			R-6	Define freight auction applicability to Management Instruction PO-530-2009-4, Section 19 – Special Circumstances.	—
			R-7	Update and enforce freight auction guidance and include at minimum a process to verify driver history.	—
23-094-R24	03/12/24	U.S. Postal Service Emergency Preparedness: Winter Storm Elliott	R-1	Update Management Instruction AS-280-2021-7 to instruct district management to 1) establish appropriate timelines for communicating preparedness information to postmasters and managers in preparation for a winter weather emergency and 2) outline supplies needed at Postal Service facilities to safeguard employees. TID: February 2025.	—
			R-3	Update the policy to 1) include who is responsible for conducting an after-action report and 2) direct the individual responsible to establish timeframes for completing a formal after-action report. TID: February 2025.	—
			R-4	1) Develop a process to verify after-action reports include lessons learned identified by all delivery units in their district and 2) incorporate the lessons learned from Winter Storm Elliott regarding essential emergency supplies into the Fiscal Year 2024 Winter Weather Readiness Toolkit. TID: September 2024.	—
24-060-R24	03/21/24	Efficiency of Operations at the Bismarck Processing and Distribution Center, Bismarck, ND	R-3	Identify and implement additional strategies to fill the supervisor of distribution operations vacancy. TID: November 2024.	—
23-165-R24	03/26/24	Mail Processing Machine Relocation	R-2	Document the updated Equipment Relocation, Modification, and Excessing Requests Process and the Machine Removal Checklist in Postal Handbook AS-701 and the *Material Accountability Officer Guidebook*. TID: January 2025.	—
23-161-R24	03/28/24	Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA	R-9	Update Handbook PO-408 to include the definition of service area, and clearly define when Mail Processing Facility Reviews are required. TID: May 2025.	—
			R-10	Communicate any impacts to customers when permanently moving processing operations of a three-digit ZIP Code to another processing facility.	—
24-050-1-R24	04/10/24	Alert-Mail Conditions at South Houston Local Processing Center	R-1	Assess the current backlog and determine whether temporary staffing is necessary to work through the backlog; develop a facility complement; and hire to fill both management and staff positions at South Houston Local Processing Center. TID: August 2024.	—
			R-5	Develop a comprehensive list, prioritize, and address the safety, security, and maintenance issues identified at the South Houston Local Processing Center. TID: October 2024.	—
23-161-1-R24	04/12/24	Impacts Associated with Local Transportation Optimization in Richmond, Virginia	R-1	Establish milestones for realizing savings and conduct a cost-benefit of actual transportation savings and its impact on service performance, including customer demographic impacts. TID: October 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
23-164-R24	04/12/24	Scanning Compliance and Oversight of Dock Operations	R-3	Evaluate and update the current Scanning Visibility performance metrics to better align evaluation criteria for individual units to their specific performance. TID: October 2024.	—
23-145-R24	04/24/24	Postal Service Hiring Practices	R-1	Develop and communicate a plan with specific actions, milestones, and metrics to attract more applicants in locations with hiring challenges.	—
			R-2	Provide facility management an opportunity to include facility specific information when requesting a job posting to help ensure external applicants are aware of job requirements.	—
24-019-R24	05/16/24	Impact of Management Operating Data System on U.S. Postal Service Costing	R-1	Reiterate policy and coordinate with Vice President, Engineering Systems to identify opportunities for automated controls to verify that employees are clocking into the correct operation number and supervisors are regularly monitoring timekeeping reports. TID: October 2025.	—
			R-2	Update procedures to include an annual review of software code to verify Management Operating Data System operation numbers used in productivity calculations reflect current Time and Attendance Collection System base default operation numbers. TID: December 2024.	—
			R-3	Establish a process to assess and analyze Management Operating Data system review results. TID: November 2024.	—
			R-4	Update Handbook M-32, *Management Operating Data System* (MODS) policy and coordinate with Vice President, Engineering Systems to update the MODS Coordinator Guidebook to identify current roles and responsibilities and clarify the frequency of Management Operation Data system reviews to ensure consistency. TID: April 2026.	—
24-037-R24	05/21/24	Mail Theft Mitigation and Response – Queens, NY	R-1	Develop and implement a plan, including communication strategy and available staff, for the timely deployment and installation of mail theft initiatives nationwide. TID: April 2025.	—
			R-2	Add the functionality to the Collection Point Management System to differentiate between blue collection and high security collection boxes. TID: October 2024.	—
			R-3	Direct the Vice President, Delivery Operations to update the Collection Point Management System to differentiate between blue collection and high security collection boxes in the New York 2 District. TID: October 2024.	—
			R-4	Reiterate arrow key security policies and responsibilities to managers and supervisors in Queens, NY. TID: October 2024.	—
			R-6	Require the New York 2 District Manager to establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for blue collection and green relay boxes. TID: April 2025.	—
			R-7	Develop a process to define roles, responsibilities, and frequency for inspecting green relay boxes, and to record and track the location and condition of green relay boxes. TID: April 2025.	—
24-025-R24	05/22/24	Network Modernization: The Changing Role of Postmasters	R-1	Coordinate to develop and implement detailed procedures for updating postmasters' roles (including workload expectations) and space utilization at offices impacted by sorting and delivery center (S&DC) implementation. These new procedures would include specifying responsible parties and processes for analyzing office conditions, evaluating alternatives, communicating decisions, and monitoring performance. TID: October 2024.	—
			R-2	Develop actions to better disseminate communication to affected S&DC and spoke office postmasters about potential national performance assessment changes. TID: October 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
23-171-R24	05/28/24	Sorting and Delivery Center Impacts in the Florida 1 District	R-1	Develop detailed lessons-learned reports for Gainesville and Panama City Sorting & Delivery Centers, discussing key challenges involving planning and implementation as a guide for future activations.	—
			R-7	Conduct a review of Priority Mail Express operating times and retail unit acceptance cut-off times in the Jacksonville and Gainesville service areas and determine if updates are needed for the Express Mail tables. TID: October 2024.	—*
24-041-R24	05/29/24	USPS Emergency Preparedness: Hurricane Ian	R-3	1) Develop and implement a communication process to verify the timely recovery of postal retail services after weather or other emergencies, and 2) adopt a contingency plan to resume retail operations manually when automated functions become unavailable.	$65,538
24-010-R24	06/03/24	Legacy Systems at the U.S. Postal Service	R-2	Mitigate identified risks for all legacy systems, develop a plan of action and milestones to enforce timely mitigation of identified risks related to legacy systems, and report the status of mitigations as defined in the Corporate Information Security Office's plan of action and milestones to the Corporate Information Security Office. TID: December 2026.	—
24-032-R24	06/05/24	Minnesota-North Dakota District: Delivery Operations	R-2	Review staffing alignment within the district and provide adequate staff to the Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office to deliver all committed mail daily.	—
			R-3	Identify and implement additional strategies to fill and retain carrier and clerk positions in the Minnesota-North Dakota District. TID: November 2024.	—
23-134-R24	06/06/24	After-Action Review of Unauthorized Access to USPS Employee Self-Service Portal	R-1	Continue to complete the implementation of multi-factor authentication for applications that hold sensitive or business critical information. TID: December 2024.	—*
			R-2	Provide mandatory annual security awareness training to craft employees and maintain documentation that these employees completed the training.	—
			R-5	Update the event management plan to align with the incident response plan and develop a process to review annually.	—
24-084-R24	06/07/24	Efficiency of Operations at the Tallahassee Processing and Distribution Facility, Tallahassee, FL	R-8	Develop and implement a plan to verify load scanning is consistently completed in accordance with policy at the Tallahassee Processing and Distribution Facility. TID: October 2024.	—
23-167-R24	06/21/24	State of the U.S. Postal Service Financial Condition	R-1	Update and communicate Delivering for America plan financial projections based on current conditions and environment. TID: December 2024.	—
			R-2	Develop a plan to track, measure, and communicate progress on initiatives that result from the Delivering for America plan. TID: June 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
23-168-R24	06/26/24	Accuracy of Reported Service Performance	R-1	Develop a system to track carrier scanning remarks, such as "passed address" or "partially completed," identify what percent is carrier non-compliance, and take necessary action to increase carrier compliance. TID: September 2024.	—
			R-3	Include performance metrics representative of the end-to-end process, which does not include same-day delivery package services, when reporting service performance scores for packages.	—
			R-4	Publicize only Postal Service tracked and validated metrics.	—
			R-5	Evaluate the feasibility of updating the Service Performance Dashboard to report service performance scores at the 3-digit ZIP Code level.	—
			R-6	Take immediate measures to remove mention of Generally Accepted Government Auditing Standards compliance from prior third-party audit reports on the performance measurement system filed with the PRC.	—
			R-7	Update the contract with the external auditor to require adherence to Generally Accepted Government Auditing Standards.	—
24-038-R24	06/27/24	Fleet Modernization – Electric Vehicle and Charging Infrastructure Incentives	R-2	Evaluate the feasibility of continuously monitoring incentive program participation at facilities with future electric vehicle and charging infrastructure deployments, to include conducting cost-benefit analysis and enlisting the possible use of contractors to support this action.	—
24-079-R24	06/28/24	Puerto Rico District: Delivery Operations	R-1	Conduct route reviews for all routes in the Puerto Rico District, create a prioritized list of routes needing adjustments based on the reviews, and coordinate with Headquarters Delivery Operations to create a plan to perform the necessary adjustments. TID: December 2026.	—
			R-8	Verify unit management completes the process for removing the employee from the rolls who was identified as not reporting to work at the Toa Baja Post Office. TID: December 2024.	—
			R-9	Address all remaining building safety, security, and maintenance issues identified at the Bayamon, Toa Baja, and Guaynabo Post Offices. TID: March 2025.	—
			R-10	Verify that all Contract Delivery Service route carriers and their assistants at the Toa Baja and Guaynabo Post Offices possess a valid Postal Service photo identification badge. TID: December 2024.	—
24-106-R24	07/15/24	Efficiency of Operations at the Kansas City Processing and Distribution Center, Kansas City, MO	R-3	Complete a review of Postal Vehicle Service transportation schedules and verify related actions are implemented at the Kansas City Processing and Distribution Center. TID: October 2024.	—
			R-5	Work with the Logistics Division Director to develop and implement a plan to verify scanning at the Kansas City Processing and Distribution Center is consistently completed in accordance with policy. TID: October 2024.	—
23-170-R24	07/16/24	Fleet Modernization – Charging Station Deployment Timelines	R-1	Establish informed baselines for future sites that align with schedule management best practices.	—
			R-2	Improve schedule management for charging station construction by using a project management system and related analytics to record dynamic updates, centralize information, and analyze performance to inform future construction baselines. TID: July 2025.	—
			R-3	Evaluate whether contractual assistance is needed for its deployment effort, including aligning the Postal Service's schedule management with best practices. TID: July 2025.	—

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
23-172-R24	07/17/24	Supervisor Vacancies	R-2	Reiterate Postal Service policy regarding timelines contained in official handbooks, memorandums, and training courses for all hiring officials in completing hiring activities. TID: September 2024.	—
			R-3	Enhance the Vacancy Management dashboard to address system limitations and to effectively track the timeliness of filling vacancies. TID: September 2024.	—
24-069-R24	07/25/24	Service Performance of the New Sorting and Delivery Center in Binghamton, NY	R-1	Share Binghamton, NY, S&DC successes and continue to equip future S&DCs with the machines and tools necessary before converting. Additionally, determine the feasibility of making incremental changes when deploying future S&DCs. TID: October 2024.	—
			R-2	Direct local management to properly oversee carriers and clerk functions. Also identify the cause of inaccurate distribution of mail and develop a corrective action plan. TID: October 2024.	—
			R-3	Direct local management to regularly communicate to carriers the importance of providing accurate details on Postal Service form 3849. TID: October 2024.	—
24-009-R24	07/26/24	Security of Postal Service Smartphones	R-1	Identify and remove unapproved applications and outdated operating systems on smartphones and/or quarantine noncompliant smartphones. TID: January 2025.	—
			R-2	Update the Postal Service's quarantine enforcement process and policy to include provisions for quarantining both iOS and Android smartphones with operating systems missing current security updates, on a recurring basis. TID: November 2024.	—
			R-3	Develop a documented plan to fully utilize the capabilities of its mobile device management platform to 1) prohibit employees from installing unapproved applications, 2) identify and remove unapproved applications, 3) force operating system updates to smartphones, and 4) quarantine all smartphones using outdated operating systems. TID: January 2025.	$4,742,792
24-016-R24	07/30/24	Election Mail Readiness for the 2024 General Election	R-1	Provide oversight and implement additional monitoring controls that verify Election and Political Mail policy and procedures are being followed at all facilities. TID: September 2024.	—
			R-3	Work with Divisional Directors and District Managers at all the facilities to provide stand-up talks and training to all employees and maintain evidence the training was conducted as well as post the stand-up talks and relevant procedures around the workroom floor. TID: November 2024.	—
			R-5	Develop and implement a process for delivery units to segregate Election Mail identified as Postal Automated Redirection System Mail prior to sending it back to a mail processing facility.	—
			R-6	Update the postmarking policy so all operations can postmark mail-in ballots.	—
			R-8	Develop and implement a plan to communicate Election and Political Mail processing, transportation, and delivery processes to any facilities impacted by the Local Transportation Optimization initiative, including those with mail that crosses state lines. TID: October 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
23-162-R24	08/06/24	Evaluation of Freight Auction	R-2	Communicate the security, trailer loading, and team driver requirements to facility management and suppliers, and develop a process to monitor dock personnel and freight auction drivers to verify they are following the requirements. TID: March 2025.	—
			R-3	Develop a plan of action and milestones for revising the trailer utilization-calculated percentages in Surface Visibility to account for stacked containers and cubic feet. TID: July 2025.	—
			R-4	Develop a plan to detect atypical bids before award to achieve competitive rates and reduce transportation costs. TID: October 2024.	—
			R-5	Review prior freight auction payments made during fiscal years 2022 and 2023 to identify loads without reliable proof of delivery information and recover inaccurate payments and implement a periodic review process going forward. TID: January 2025.	$198,850,166
			R-6	Initiate recovery of U.S. Postal Service Office of Inspector General-identified overpayments. TID: January 2025.	$249,169
			R-7	Conduct a comprehensive review to identify requirements for streamlining proof of delivery validation, minimize manual payments, improve accuracy, and make system enhancements as necessary.	—
			R-8	Monitor, communicate, and take necessary corrective action for suppliers with poor performance. TID: February 2025.	—
			R-9	Re-evaluate and adjust supplier performance requirements and enforce supplier compliance. TID: January 2025.	—
			R-10	Follow up with Department of Labor on the wage determination requirement and bring all active freight auction contracts into compliance with both the Service Contract Act and wage determination requirements. TID: February 2025.	—
23-149-R24	08/08/24	ePostage Oversight	R-2	Establish procedures to conduct periodic reviews for compliance with merchant information requirements and address noncompliance within a reasonable timeframe. TID: February 2025.	—*
			R-3	Establish procedures to ensure it provides a clear indication of when and where the Postal Service takes custody of all ePostage packages, monitor compliance with its procedures, and notify merchants of noncompliance. TID: March 2025.	—
			R-5	1) Establish automated processes to identify merchants that shortpay. 2) Create and issue automated noncompliance notifications to merchants when applicable, and notify label providers of merchant noncompliance. TID: March 2025.	—
			R-6	Establish automated processes to identify merchants that shortpay, and create and issue automated noncompliance notifications to merchants and label providers, when applicable. TID: March 2025.	—
			R-7	Establish guidelines outlining quantifiable conditions for issuing noncompliance notifications to merchants and related timelines, notifying the label provider of mailer noncompliance, and suspending mailers' accounts. TID: March 2025.	—

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
24-116-R24	08/13/24	Efficiency of Operations at the Charleston Processing and Distribution Center, North Charleston, SC	R-3	Fill the vacant maintenance positions needed to service and maintain processing machines at the Charleston Processing and Distribution Center. TID: May 2025.	—
			R-8	Use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with mail arriving from delivery units or processing facilities at the Charleston Processing and Distribution Center. TID: November 2024.	—
			R-9	Provide training on proper placarding procedures and verify they are followed on the workroom floor at the Charleston Processing and Distribution Center. TID: November 2024.	—
			R-10	Complete a review of transportation schedules and identify actions to address contractor failures at the Charleston Processing and Distribution Center. TID: November 2024.	—
			R-11	Verify load scanning is consistently completed in accordance with policy at the Charleston Processing and Distribution Center. TID: January 2025.	—
24-064-R24	08/14/24	Postal Service's Adverse Weather Condition Procedures	R-1	Develop and implement a process to verify only employees who are present during the Heat Illness Prevention Program training are certified using the bulk certification option. TID: March 2025.	—
			R-3	Communicate expectations to facility management for conducting the required Heat Illness Prevention Program training video in group settings to promote participation. TID: December 2024.	—
			R-4	Review the Heat Illness Prevention Program policy statement for uploading weekly heat-related safety talks in HERO and revise, as appropriate, to align with expectations. TID: December 2024.	—
			R-5	Reiterate guidance on the required tasks to complete before certifying the Heat Illness Prevention Program as complete in HERO. TID: December 2024.	—
24-050-R24	08/26/24	Service Performance During the Fiscal Year 2024 Peak Mailing Season	R-1	Evaluate the plan to effectively manage Operational Precision Performance during peak season. TID: November 2024.	—
24-074-R24	08/28/24	Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA	R-1	Develop a platform operation plan with established procedures for tracking, staging, and organizing any mail moved off the docks to ensure it is timely entered into mail processing. TID: September 2024.	—
			R-3	Develop plans to orient and train employees to effectively perform operations before they start completing the new mail processing operations. TID: February 2025.	—
			R-4	Work with labor unions to successfully staff future Regional Processing and Distribution Centers to allow for successful transitions for the Postal Service and its employees.	—
			R-5	Develop contingency plans to handle low employee availability when implementing network changes. TID: February 2025.	—
			R-6	Develop plans to provide facility specific training to management staff before they oversee the new mail processing operations. TID: February 2025.	—
			R-7	Implement plans to hire sufficient managerial staff when implementing future network changes.	—

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
23-175-R24	08/29/24	Employee Availability	R-1	Implement mandated training related to attendance control and employee availability to front-line supervisors nationwide. TID: June 2025.	—
			R-2	Instruct supervisors to manage employees on the Zero Hours Dashboard and identify ways to get employees back to work or removed from the Postal Service rolls. TID: October 2024.	—
			R-3	Reiterate sick leave policy to all employees and coordinate with the Vice President, Technology Applications to automate controls to remind management to obtain supporting medical documentation and file the documentation, as required. TID: June 2025.	$239,729,537
24-099-R24	08/30/24	Mail Theft Mitigation and Response – San Francisco, CA	R-1	Update the Collection Point Management System to differentiate between blue collection and high security collection boxes to accurately reflect inventories for all stations nationwide. TID: April 2025.	—
			R-2	Reiterate arrow key security policies and responsibilities to managers and supervisors in San Francisco, CA. TID: November 2024.	—
			R-3	Confirm all arrow keys are added to the inventory in the Retail and Delivery Analytics and Reports system and, when necessary, reported to the Postal Inspection Service. TID: November 2024.	—
			R-4	Establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes and green relay boxes. TID: September 2025.	—
24-049-R24	09/05/24	Planning and Deployment of the Matrix Regional Sorter	R-1	Implement a plan when deploying future Matrix Regional Sorters (MaRS) to provide necessary training to maintenance staff for a smooth and timely transition from contractor support. TID: January 2026.	$2,217,348
			R-2	Define needed maintenance tasks for both the contractor and Postal Service staff to perform, including the timing and frequency of assigned/required maintenance tasks for the MaRS. TID: November 2024.	—
			R-3	Analyze the MaRS performance to determine if goals are attainable and, if not, determine realistic goals for each facility with a MaRS, updating any cost savings projections if necessary. TID: June 2025.	—
			R-5	Identify and correct the causes of damaged mail from the MaRS. Additionally, develop a plan to track mail damaged on the MaRS and evaluate if changes made have decreased the amount of mail damaged. TID: March 2025.	—
			R-7	Create an action plan to address the causes of mail being resorted on the MaRS and reduce the amount of mail needing to be resorted and relabeled. TID: October 2024.	—
24-017-R24	09/06/24	Service Optimization: Post Office Boxes	R-1	Implement mechanisms to better communicate and reinforce Post Office Box program priorities and oversight requirements, including performing up-time scans, completing annual audit and semi-annual overflow reviews, collecting reactivation fees, and completing box closures. TID: June 2025.	$8,893,200
			R-2	Develop a comprehensive, strategic assessment of the Post Office Box program, which would include analysis of how key program components, such as prices, utilization, service, and marketing, impact on current and prospective customer segments and demand across the country. TID: August 2025.	—

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
24-129-R24	09/09/24	Efficiency of Operations at the Birmingham Processing and Distribution Center and Mail Processing Annex, Birmingham, AL	R-1	Provide training to supervisors on the proper use of the Low Cost Universal Sorter and monitor for compliance. TID: October 2024.	—
			R-2	Implement procedures at the Birmingham Processing and Distribution Center to verify that mail arriving at the manual letter operations unit does not contain mail that could be processed on automated equipment. TID: October 2024.	—
			R-3	Verify supervisors at the Birmingham Mail Processing Annex are trained on proper mail flow procedures in processing operations and these procedures are followed. TID: November 2024.	—
			R-4	Verify employees responsible for reporting delayed mail at the Birmingham Processing and Distribution Center are trained on proper reporting procedures and delayed mail is accurately reported in the Mail Condition Visualization System. TID: October 2024.	—
			R-5	Verify appropriate transportation schedule changes are implemented based on the review performed in March 2024 at the Birmingham Processing and Distribution Center and Mail Processing Annex to reduce dock congestion and minimize late trips. TID: January 2025.	—
			R-6	Develop and implement a plan to verify scanning at the Birmingham Processing and Distribution Center and Mail Processing Annex is consistently completed in accordance with policy. TID: November 2024.	—
			R-7	Reiterate policy and verify all drivers are using wheel chocks and trailer door locks at the Birmingham Processing and Distribution Center and Mail Processing Annex. TID: October 2024.	—
			R-8	Communicate policy and verify facility doors are secured at the Birmingham Processing and Distribution Center and Mail Processing Annex. TID: October 2024.	—
24-107-R24	09/13/24	Kansas-Missouri District: Delivery Operations	R-1	Review staffing alignment within the district and provide adequate staff to the Shawnee Mission Post Office to deliver all committed mail daily. TID: October 2024.	—
			R-2	Identify and implement additional strategies to fill and retain carrier positions in the Kansas-Missouri District. TID: November 2024.	—
			R-3	Train management at all delivery units in the district on the proper procedures for reporting delayed mail. TID: November 2024.	—
24-100-R24	09/18/24	Mail Theft Mitigation and Response – Chicago, IL	R-1	Reiterate arrow key security policies and responsibilities to managers and supervisors in Chicago, IL. TID: November 2024.	—
			R-2	Confirm all arrow keys are accurately recorded in the Retail and Delivery Analytics and Reports system and, when necessary, reported to the Postal Inspection Service. TID: January 2025.	—
			R-3	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act. TID: November 2024.	—
			R-4	Reiterate registry cage security policies and responsibilities to managers and supervisors at the Mount Greenwood Station. TID: November 2024.	—
			R-5	Establish procedures to complete annual safety inspections, remediate deficiencies, and document the results for the blue collection boxes. TID: November 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
24-071-R24	09/19/24	Effectiveness of the New Regional Processing and Distribution Center in Portland, OR	*R-1*	Communicate the Integrated Operating Plans with key personnel at the Portland Regional Processing and Distribution Center and document concurrence in the system of record. TID: March 2025.	—
			R-2	Document lessons learned regarding miscommunication of unplanned changes to the facility layout along with recommended improvements for future Regional Processing and Distribution Center activations. TID: November 2024.	—
			R-3	Complete a review to align transportation schedules at the Portland Regional Processing and Distribution Center. TID: January 2025.	—
24-136-R24	09/24/24	Efficiency of Operations at the Denver Processing and Distribution Center, Denver, CO	*R-1*	Verify that the manual letter operation has a designated employee to monitor mail entering the unit on a daily basis at the Denver Processing and Distribution Center. TID: October 2024.	—
			R-2	Verify delayed mail counts are completed and entered correctly into the Mail Condition Visualization system at the Denver Processing and Distribution Center. TID: November 2024.	—
			R-3	Use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with Express Mail arriving late from delivery units. TID: February 2025.	—
			R-4	Verify proper placarding procedures are followed at the Denver Processing and Distribution Center. TID: October 2024.	—
			R-5	Complete a review of transportation schedules and identify and implement actions to address transportation needs at the Denver Processing and Distribution Center. TID: May 2025.	—
			R-6	Coordinate with the Denver Network Distribution Center to determine and implement optimal transportation schedules and reduce the number of canceled outbound trips. TID: May 2025.	—
			R-7	Consistently meet load and unload scan goals at the Denver Processing and Distribution Center. TID: February 2025.	—
			R-8	Verify training is provided to registry clerks and supervisors on the procedures for the daily verification of receipt of registry pouches and reporting of missing registry pouches at the Denver Processing and Distribution Center. TID: October 2024.	—
			R-9	Ensure doors and entryways to the dock and workroom floor are not blocked at the Denver Processing and Distribution Center. TID: November 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
24-040-R24	09/25/24	Measuring Performance of Sorting and Delivery Centers	R-1	Develop a process to monitor sorting and delivery center management's consistent use of the Mail Arrival Quality/Plant Arrival Quality system to report issues with the mail arrival profile. TID: January 2025.	—
			R-2	Develop a training for all sorting and delivery center supervisors specific to the network changes/impacts, including techniques to properly supervise route performance, and require all sorting and delivery center supervisors to complete.	$1,420,862
			R-3	Clearly define the parameters for appropriate staffing levels at sorting and delivery centers to meet the Small Delivery Unit Sorter operational throughput goal.	—
			R-4	Develop a plan for sorting and delivery centers to maintain the correct number of staff, aligned properly across the various processing tasks, for the Small Delivery Unit Sorter.	—
			R-5	Develop an automated process within the Rural Route Evaluation Compensation System to make necessary adjustments to reduce the number of overburdened rural routes.	—
			R-6	Finalize the ongoing review of sorting and delivery center routes and make necessary adjustments to reduce the number of overburdened rural routes.	—
24-117-R24	09/26/24	South Carolina District: Delivery Operations	R-1	Review staffing alignment within the district and provide adequate staff to the North Charleston Branch to deliver all committed mail daily. TID: October 2024.	—

Total Number of Reports: **73**

Total Number of Recommendations: **204**

Total Monetary Impact: **$610,651,765**

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

Appendix E: Reports with Recommendations Pending Corrective Actions - Postal Regulatory Commission (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
20-02-A01	06/30/22	PRC Purchase Card Expenses	*R-3*	Modify the purchasing policy to define split transactions and disciplinary actions related thereto.	—
			R-4	Update PRC purchase card policies and procedures to align with purchase card.	—
			R-7	Ensure there is proper segregation of duties between all employees involved in the purchase card process.	—
			R-9	Revise the policy to maintain consistency related to required purchase card reconciliation timeframe.	—
			R-14	Develop written policy and procedures for departing employees.	—
23-027-R23	07/27/23	Postal Regulatory Commission Travel Expenses	*R-2*	Conduct a cost-benefit analysis of either appointing personnel with full travel authority and oversight responsibility or allowing travelers to be responsible for submitting, tracking, and supporting their travel actions and expenses in eTravel.	—
			R-3	Update the travel policy to reflect the needs of the Postal Regulatory Commission and align with agency priorities.	—
			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.	—
23-096-R23	09/22/23	Postal Regulatory Commission Acquisition Planning and Contracting Practices	*R-1*	Update the purchasing policy regarding purchase order issuance, to include, at a minimum, requirements for use of Postal Service Form 8203, signatures, and documentation retention requirements.	—
			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.	—
			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.	—
			R-4	Create a policy outlining comprehensive requirements to close contracts, including a checklist of closeout documentation.	—
23-160-R24	06/28/24	PRC Strategic Objectives: Year One of Five-Year Plan	*R-1*	Determine what templates and processes should be adopted for strategic plan implementation and develop a policy incorporating those elements.	—
			R-3	Develop and communicate a consolidated schedule that incorporates all requirements for the overall strategic plan and individual projects.	—
			R-2	Estimate and document budgetary requirements for achieving the strategic plan and develop a process for incorporating expected project costs.	—

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

Total Number of Reports: **5**

Total Number of Recommendations: **24**

Total Monetary Impact: **$0**

Appendix F: Management Decisions in Audit Resolution

For the period: April 1 - September 30, 2024

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 TID = Target Implementation Date		Monetary Impact
23-035-R23	09/14/23	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.	—
23-033-R23	09/27/23	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.	—
22-178-R23	09/28/23	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.	—
22-194-R23	09/29/23	Corporate Information Security Office Workforce	*R-1*	In coordination with the Vice President, Organization Development, establish and document a workforce plan that describes key recruitment, retention, and performance measurement activities. At a minimum, the plan should address strategic priorities, include workforce goals and objectives, identify stakeholder roles and responsibilities, and define a process for periodic review and updates.	—
			R-2	Develop a process to track employee and contractor training and certifications to monitor progress toward addressing the skills gaps identified in periodic skills assessments.	—
23-130-R24	12/05/23	Delivery and Customer Service in Colorado Mountain Towns	*R-2*	Explore the feasibility of increasing personnel pay in Colorado mountain towns based on locality, including tracking all expenses for personnel detailed to these locations and other hiring costs.	—
23-137-R24	12/15/23	Processing and Delivery of Veterans Affairs Medicine	*R-3*	Develop and implement a control to prevent improper duplicate "Delivered" scans on the same package, including VA Pharmacy packages.	—
22-199-R24	01/25/24	Site Technical Assessment Review – January 2024	*R-9*	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-10	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-11	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-12	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—
			R-14	Some or all of the recommendation is not publicly available due to concerns with information protected under the Freedom of Information Act.	—

Appendix F: Management Decisions in Audit Resolution

Report Number	Issue Date	Report Title	Recommendation Summary R = Recommendation Number TID = Target Implementation Date		Monetary Impact
23-088-R24	02/27/24	Contract Trucking Safety and Compliance	R-2	Require freight auction brokers to report subcontractor authorization and vetting and develop a system of record to maintain the reported results.	—
			R-4	Develop requirements and implement a mechanism to track highway contract route contractors and the subcontractors they utilize.	—
			R-5	Communicate and create a mechanism to validate the use of team drivers for trips that exceed 500 miles, update freight auction statements of work, and terminate contractors who are non-compliant.	—
			R-6	Define freight auction applicability to Management Instruction PO-530-2009-4, Section 19 – Special Circumstances.	—
			R-7	Update and enforce freight auction guidance and include at minimum a process to verify driver history.	—
23-161-R24	03/28/24	Effectiveness of the New Regional Processing and Distribution Center in Richmond, VA	R-10	Communicate any impacts to customers when permanently moving processing operations of a three-digit ZIP Code to another processing facility.	—
23-145-R24	04/24/24	Postal Service Hiring Practices	R-1	Develop and communicate a plan with specific actions, milestones, and metrics to attract more applicants in locations with hiring challenges.	—
			R-2	Provide facility management an opportunity to include facility specific information when requesting a job posting to help ensure external applicants are aware of job requirements.	—
23-171-R24	05/28/24	Sorting and Delivery Center Impacts in the Florida 1 District	R-1	Develop detailed lessons-learned reports for Gainesville and Panama City Sorting & Delivery Centers, discussing key challenges involving planning and implementation as a guide for future activations.	—
24-041-R24	05/29/24	USPS Emergency Preparedness: Hurricane Ian	R-3	1) Develop and implement a communication process to verify the timely recovery of postal retail services after weather or other emergencies, and 2) adopt a contingency plan to resume retail operations manually when automated functions become unavailable.	$65,538
24-032-R24	06/05/24	Minnesota-North Dakota District: Delivery Operations	R-2	Review staffing alignment within the district and provide adequate staff to the Eagan Branch, New Brighton Carrier Annex, Bismarck Carrier Annex, and Minot Post Office to deliver all committed mail daily.	—
23-134-R24	06/06/24	After-Action Review of Unauthorized Access to USPS Employee Self-Service Portal	R-2	Provide mandatory annual security awareness training to craft employees and maintain documentation that these employees completed the training.	—
			R-5	Update the event management plan to align with the incident response plan and develop a process to review annually.	—
23-168-R24	06/26/24	Accuracy of Reported Service Performance	R-3	Include performance metrics representative of the end-to-end process, which does not include same-day delivery package services, when reporting service performance scores for packages.	—
			R-4	Publicize only Postal Service tracked and validated metrics.	—
			R-5	Evaluate the feasibility of updating the Service Performance Dashboard to report service performance scores at the 3-digit ZIP Code level.	—
			R-6	Take immediate measures to remove mention of Generally Accepted Government Auditing Standards compliance from prior third-party audit reports on the performance measurement system filed with the PRC.	—
			R-7	Update the contract with the external auditor to require adherence to Generally Accepted Government Auditing Standards.	—

Appendix F: Management Decisions in Audit Resolution

Report Number	Issue Date	Report Title	Recommendation Summary *R = Recommendation Number* *TID = Target Implementation Date*		Monetary Impact
24-038-R24	06/27/24	Fleet Modernization – Electric Vehicle and Charging Infrastructure Incentives	R-2	Evaluate the feasibility of continuously monitoring incentive program participation at facilities with future electric vehicle and charging infrastructure deployments, to include conducting cost-benefit analysis and enlisting the possible use of contractors to support this action.	—
23-170-R24	07/16/24	Fleet Modernization – Charging Station Deployment Timeliness	R-1	Establish informed baselines for future sites that align with schedule management best practices.	—
24-016-R24	07/30/24	Election Mail Readiness for the 2024 General Election	R-5	Develop and implement a process for delivery units to segregate Election Mail identified as Postal Automated Redirection System Mail prior to sending it back to a mail processing facility.	—
			R-6	Update the postmarking policy so that all operations can postmark mail-in ballots.	—
23-162-R24	08/06/24	Evaluation of Freight Auction	R-7	Conduct a comprehensive review to identify requirements for streamlining proof of delivery validation, minimize manual payments, improve accuracy, and make system enhancements as necessary.	—
24-074-R24	08/28/24	Effectiveness of the New Regional Processing and Distribution Center in Atlanta, GA	R-4	Work with labor unions to successfully staff future Regional Processing and Distribution Centers to allow for successful transitions for the Postal Service and its employees.	—
			R-7	Implement plans to hire sufficient managerial staff when implementing future network changes.	—
24-040-R24	09/25/24	Measuring Performance of Sorting and Delivery Centers	R-2	Develop a training for all sorting and delivery center supervisors specific to the network changes/impacts, including techniques to properly supervise route performance, and require all sorting and delivery center supervisors to complete.	$1,420,862
			R-3	Clearly define the parameters for appropriate staffing levels at sorting and delivery centers to meet the Small Delivery Unit Sorter operational throughput goal.	—
			R-4	Develop a plan for sorting and delivery centers to maintain the correct number of staff, aligned properly across the various processing tasks, for the Small Delivery Unit Sorter.	—
			R-5	Develop an automated process within the Rural Route Evaluation Compensation System to make necessary adjustments to reduce the number of overburdened rural routes.	—
			R-6	Finalize the ongoing review of sorting and delivery center routes and make necessary adjustments to reduce the number of overburdened rural routes.	—

Total Number of Reports: **21**

Total Number of Recommendations: **42**

Total Monetary Impact: **$1,486,400**

Appendix G: Status of Peer Review Recommendations

For the period: October 1, 2023 - September 30, 2024

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

Peer Reviews Conducted by USPS OIG

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

Research and Insights Solution Center

Peer Reviews Conducted on USPS OIG

The last peer review conducted was by the Federal Deposit Insurance Corporation OIG for the period ending September 30, 2023, with a report date of March 27, 2024. The reviewing OIG determined the USPS OIG's policies and procedures were generally consistent with Blue Book standards.

Peer Reviews Conducted by USPS OIG

None during the reporting period.

Office of Investigations

Peer Reviews Conducted on USPS OIG

None during the reporting period.

Peer Reviews Conducted by USPS OIG

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 (DOJ) for criminal prosecution during the reporting period;

C) The total number of persons referred to state and local prosecuting authorities for criminal prosecution during the reporting period and;

D) The total number of indictments and criminal informations during the reporting period that resulted from any prior referral to prosecuting authorities.

For the period: April 1 - September 30, 2023

Program	Investigations Closed	Arrests	Indictments / Informations / Complaints	Convictions – Criminal	Admin Action Taken	Cost Avoidance	Fines, Restitution, and Recoveries	Amount to the Postal Service, *PRC	To Mgmt. for Admin Action	To Mgmt. for Admin Action (FY)	Number of persons referred to DOJ for criminal prosecution	Number of persons referred to state and local authorities for criminal prosecution presentations	Criminal Indictments / Informations	Number of investigative reports issued	Convictions – Civil Settlements / Judgements	Referrals to USPS that were not Investigated
Computer Crimes	4	—	—	—	2	—	—	—	1	—	1	—	—	3	—	—
Contract Fraud	38	2	6	11	41	8,201,115	8,291,635	7,998,682	9	—	16	1	3	11	1	1
Financial Fraud	116	20	24	19	85	—	321,140	257,338	68	2	25	7	17	137	—	24
General Crimes	154	18	23	18	76	—	608,905	5,114	55	2	27	14	16	164	—	478
Healthcare Claimant Fraud	109	8	12	17	30	35,405,498	1,055,799	847,602	11	—	18	2	10	54	—	5
Healthcare Provider Fraud	14	6	9	6	15	80,818,001	4,963,755	1,864,503	—	—	4	53	9	7	1	—
Mail Theft	773	258	276	214	460	—	3,032,265	20,599	360	6	235	37	175	700	—	350
Narcotics	159	89	90	65	71	—	724,389	37,741	50	1	55		71	115	—	29
Office of Professional Responsibility	26	0	0	1	5	—	—	—	14	14	2	—	—	16	—	55
Total	**1,393**	**401**	**440**	**351**	**785**	**124,424,614**	**18,997,888**	**11,031,579**	**568**	**25**	**383**	**114**	**301**	**1,207**	**2**	**942**
PRC	—	—	—	—	—	—	—	—*	—	—	—	—	—	—	—	—

For the period: October 1, 2023 – September 30, 2024

Program	Investigations Closed	Arrests	Indictments / Informations / Complaints	Convictions – Criminal	Admin Action Taken	Cost Avoidance	Fines, Restitution, and Recoveries	Amount to the Postal Service, *PRC	To Mgmt. for Admin Action	To Mgmt. for Admin Action (FY)	Number of persons referred to DOJ for criminal prosecution	Number of persons referred to state and local authorities for criminal prosecution presentations	Criminal Indictments / Informations	Number of investigative reports issued	Convictions – Civil Settlements / Judgements	Referrals to USPS that were not investigated
Computer Crimes	10	—	—	—	2	—	—	—	1	—	1	—	—	6	—	—
Contract Fraud	60	7	15	23	53	12,256,186	12,960,958	11,639,304	11	—	36	1	12	17	3	1
Financial Fraud	262	40	44	48	181	374,916	2,552,941	1,734,025	160	2	71	25	29	282	—	54
General Crimes	368	42	39	43	176	—	876,182	24,277	169	2	42	29	25	342	—	1,140
Healthcare Claimant Fraud	224	18	25	26	51	96,863,519	3,427,116	3,218,919	29	—	44	3	23	101	—	10
Healthcare Provider Fraud	30	9	12	22	42	202,035,304	17,198,309	8,716,487	—	—	24	—	10	11	1	1
Mail Theft	1,606	449	485	406	940	—	9,255,851	70,920	874	8	597	108	303	1,342	—	757
Narcotics	299	137	157	135	130	—	866,515	52,294	118	2	102	52	123	208	—	62
Office of Professional Responsibility	46	1	3	1	23	—	720	—	16	16	2	—	—	18	—	55
Total	**2,905**	**703**	**780**	**704**	**1,598**	**311,529,925**	**47,138,592**	**25,456,227**	**1,378**	**30**	**919**	**218**	**525**	**2,327**	**4**	**2,080**
PRC	—	—	—	—	—	—	—	—*	1	1	—	—	—	1	—	—

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

For the period: April 1 – September 30, 2024

Type of Scheme	Complaints Filed	Consent Agreements	Final Restraining Orders	C&D Orders
Advance Fee	—	—	—	—
Counterfeit Checks	—	—	—	—
Facsimile Checks	—	—	—	—
Failure to Pay	—	—	—	—
Failure to Render	—	—	—	—
Foreign Lottery	—	—	—	—
Identity Theft - Other	—	—	—	—
Investment Fraud	—	—	—	—
Invoice Schemes	—	—	—	—
Lottery	9	10	—	10
Medical Fraud - Other	—	—	—	—
Other	—	—	—	—
Psychic	—	—	—	—
Rebate and Refund	—	—	—	—
Reshipping Scheme	—	—	—	—
Sweepstakes	—	—	—	—
USPS Revenue Fraud	—	—	—	—
TOTAL	**9**	**10**	**—**	**10**

Other Administrative Actions

Temp. Restraining Orders Requested	—
Temp. Restraining Orders Imposed	—
Cases Using Direct Purchase Authority	—
Civil Penalties (Section 3012) Imposed	—
Test Purchases	—
Withholding Mail Orders Issued	0
Voluntary Discontinuances	This area is not tracked by Office of Counsel

Administrative Subpoenas Requested by the Postal Inspection Service

There were none requested during this reporting period.

Financial Reporting on Investigative Activities for the Postal Inspection Service

Area	Type	Total
VP Chief Inspector	Total Personnel Comp	$235,228,322
VP Chief Inspector	Total Nonpersonnel Expense	$70,272,262
VP Chief Inspector	Total Operating Expense	$305,500,583
VP Chief Inspector	Total Capital Commitments	$17,255,737

Appendix J: Congressional/PMG/Board of Governors Inquiries

For the period: April 1 - September 30, 2024

The Office of Government Relations responds to inquiries from Congress, the Postmaster General, and the Board of Governors. The OIG responds to some of these inquiries by conducting audits or investigations. However, the OIG does not generally perform audits or investigations when an inquiry involves a non-systemic issue that may be resolved through existing administrative or judicial processes, such as the equal employment opportunity complaint process, contractual grievance-arbitration procedures, or appeals to the Merit Systems Protection Board. When systemic or criminal issues have been identified, the OIG may conduct independent audits or investigations to help ensure the economy, efficiency, and integrity of Postal Service programs and operations.

From April 1 through September 30, 2024, the OIG received 57 new inquiries. Out of the 57 inquiries, we formally referred one of the U.S. Postal Service Office of Government Relations. We closed 50 inquiries during this reporting period. Out of those, 34 were reviewed by our Office of Investigations and 11 were reviewed by our Office of Audit.

Congressional Testimony

Since its inception, the OIG has testified before Congress on various matters. During this reporting period, Inspector General Tammy L. Hull testified before the U.S. Senate Committee on Homeland Security & Governmental Affairs on April 16, 2024. The hearing, entitled *Oversight of the United States Postal Service*, also included testimony from Postmaster General Louis DeJoy, U.S. Postal Service Board of Governors Chairman Roman Martinez IV, and Postal Regulatory Commission Chairman Michael Kubayanda.

The hearing focused on the Postal Service's current service, operations, and finances, including oversight of changes to USPS's network and their potential impacts on mail delivery. Senators on the committee asked questions about OIG work to address local service performance challenges and the Delivering for America plan, as well as Postal Service employment levels. Inspector General Hull's written statement can be found in its entirety here and the hearing can be viewed here. Prior testimonies and statements can be found in their entirety on the OIG's website at https://www.uspsoig.gov.

Appendix K: Attempt to Interfere with OIG Independence

For the period: April 1 - September 30, 2024

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

None during the reporting period.

Supplemental Information

Freedom of Information Act

Our OIG Freedom of Information Act (FOIA) Office operates independently of, but frequently coordinates with, its counterparts at the Postal Service, the Postal Inspection Service, and the PRC. The FOIA Office receives requests for records from the public, the media, and PRC 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, 2024

Requests	Number of Requests
Carryover from prior period	42
Received during period	482
Total on hand during period	524
Actions	**Number of Requests**
Processed during the period	424
Requests denied in full	27
Requests granted in full	26
Requests denied in part	105
Duplicate request	4
Fee-related reasons	0
No records	58
Not an agency record	115
Not a proper FOIA request for some other reason	1
Requests referred	72
Requests withdrawn	16
Records not reasonably described	0
Balance	**Number of Requests**
Balance at the end of the period (pending)	100
Processing Days	**Number of Days**
Median processing days to respond to a FOIA request	0

Workplace Environment

The Office of Investigations' Workplace Environment unit reviews workplace environment and operational issues that may affect workplace climate in postal facilities throughout the country. The OIG Hotline is the primary source for complaints, but occasionally members of Congress, the Governors, and postal management will raise concerns or forward complaints appropriate for review by the unit. Complaint topics include nepotism, harassment, hostile work environment, and discrimination.

Workplace Environment reviews are designed to identify systemic rather than individual issues and foster postal management efforts toward providing employees a stress- and adversity-free work environment. The unit accepts complaints from any PRC and postal employee, including OIG and Postal Inspection Service staff. Reviews may result in fact-finding reports to management or referral for specific suggested action, such as climate assessments.

For the period: April 1 - September 30, 2024

Total complaints reviewed and closed: 1089

Whistleblower Reprisal Investigations

For the period: April 1 - September 30, 2024

Whistleblower Reprisal Activity	
Allegations received	132
OIG investigations initiated	—
Investigations closed with no action	—
Allegations closed with no action	134
OIG found reprisal	1

For the period: October 1, 2023 - September 30, 2024

Whistleblower Reprisal Activity	
Allegations received	257
OIG investigations Initiated	—
Investigations closed with no action	2
Allegations closed with no action	253
OIG found reprisal	1

Supplemental Information

Summary of Performance

For the period of: April 1 – September 30, 2024

Audits	
Reports issued (excluding RISC white papers)	78
Recommendations issued	250
Total reports with financial impact	11
Funds put to better use	$10,294,265
Questioned costs	$442,399,609
Revenue impact	$12,192,738
Total	**$464,886,623**

OIG Hotline Contacts	
Telephone calls	17,009
Email	171,224
Webforms	55,387
Standard mail	1,182
Voicemail messages	926
Facsimile - FAX	105
Total Contacts	**245,833**

RISC White Papers	
White papers issued	4
Recommendations issued	0

Investigations[1]	
Investigations completed	1,393
Arrests	401
Indictments/informations	440
Convictions/pretrial diversions[2]	351
Administrative actions	785
Cost avoidance	$124,424,614
Fines, restitution, and recoveries	$18,997,888
Amount to the Postal Service[3]	$11,031,579

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).

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.

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	40-59
5(a)(4)	Matters referred to prosecutive authorities and the prosecutions and convictions that have resulted	61-62
5(a)(5)	Summary reports made to the head of the establishment under section 6(b)(2) of instances where information was refused	61-62
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, 29-39
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	29-36
5(a)(9)	Status of management decisions for audit and evaluation reports containing recommendations that funds be put to better use	37
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	36-37
5(a)(11)	Description and explanation of the reasons for any significant revised management decisions	57-59
5(a)(12)	Information concerning any significant management decisions with which the Inspector General disagreed	57-59
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	60
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	61-62
5(a)(18)	Description of the metrics used to develop the data in the statistical tables under Section 5(a)(17)	61-62
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	21
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	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	64
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	33
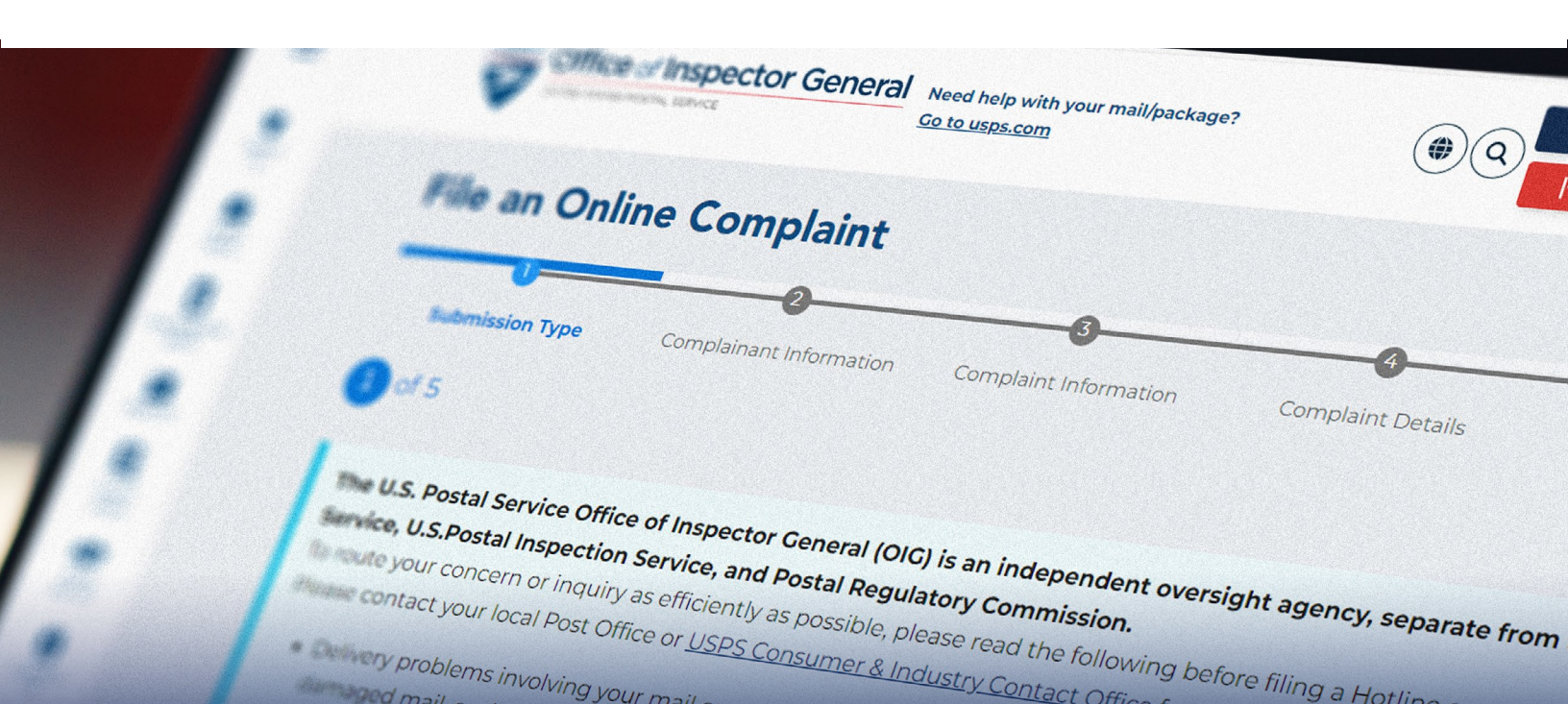
Who Do I Contact — Report Fraud, Waste, Abuse

The U.S. Postal Service has two law enforcement agencies with distinct areas of investigative responsibility to serve the needs of stakeholders, postal employees, and the American public.

Office of Inspector General

- Theft, delay, or destruction of mail by postal employees and contractors
- Workers' compensation fraud
- Embezzlements and financial crimes
- Contract Fraud
- Kickbacks
- Computer crimes
- Narcotics
- Employee misconduct
- Internal affairs and executive investigations
- Whistleblower reprisals

https://www.uspsoig.gov/hotline

Contact: (888) 877-7644

Postal Inspection Service

- Security of employees, facilities, and equipment
- Revenue and postage fraud
- International mail security
- Violent crimes:
  - Threats and assaults of employees
  - Burglaries and robberies
- Mail theft by nonemployees
- Dangerous mail and bombs
- Mail fraud
- Identity theft
- Narcotics in the mail
- Child pornography and obscenity

https://www.uspis.gov/report/

Contact: (877) 876-2455

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

1735 North Lynn Street, Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, please email press@uspsoig.gov or call (703) 248-2100