
**Hearing before the Subcommittee on Federal Workforce,
Postal Service and the District of Columbia
Committee on Oversight and Government Reform
United States House of Representatives**



**Oral Statement
Chicago District Delivery Problems
of the United States Postal Service**

**Gordon C. Milbourn III
Assistant Inspector General for Audit
Office of the Inspector General
United States Postal Service**

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to discuss our assessment of the Postal Service's challenges in the Chicago District. We are reviewing the issues in response to a request from the Postmaster General and the Chicago District Manager. We will continue to work in consultation with the Committee and Postal Service officials, and plan to report our results later this summer.

I would like to focus on two topics. The first is our initial assessment of the current problems. Our reviews to date of mail processing and delivery operations have tentatively concluded that the broad causes are:

- Inconsistent and inadequate supervision;
- A lack of urgency at the processing plant (which I saw during my recent visit to Chicago), along with questionable accountability there;
- Poor planning; and
- Inadequate training.

At the District Manager's request, we are also auditing 14 installations to establish accountability for the cash and stamps on hand. During my visit I participated in one of these audits, which collectively are finding financial management concerns at the installations, such as a significant lack of knowledge of financial procedures among many supervisors.

Our investigators help detect and deter employees who are engaging in misconduct that affects the efficient delivery of mail and diminishes the public's trust in the Postal Service. Our recent work in Chicago has led to dozens of arrests, indictments, or administrative referrals for things like embezzlement, mishandling and theft of mail, and disability benefits fraud. One example was an employee who submitted a fictitious back injury claim, received paid sick leave, and at the same time attended the Chicago Fire Department Training Academy. These results are typical of a city this size, so we infer that employee crimes and misconduct are not significantly contributing to the local problems.

I will now turn to the Postal Service's plan to fix the problems, the goals of which are to rebuild public confidence and to facilitate culture change. Solving the problems in Chicago is a daunting challenge, but we believe the plan is headed in the right direction. However, while significant attention has been focused on the problems since late 2006, a dramatic turnaround may take some time. For example, each day for the last several weeks, we have observed delayed processing of approximately 2 million pieces of Standard Mail.

While the actions being taken will help address the problems in the short term, we will soon turn our focus to the more difficult, longer term solutions related to supervision, accountability, and the overall work culture. My office will continue to support postal efforts, and we are cognizant of our responsibility to continue

keeping the Congress fully and currently informed. I will be pleased to answer any questions.