



Office of Inspector General Semiannual Fact Sheet

Spring 2012

The U.S. Postal Service Office of Inspector General plays a key role in maintaining the integrity and accountability of America's Postal Service, its revenue and assets, and its employees.

The U.S. Postal Service is an invaluable part of the nation's communications infrastructure. For more than 230 years, the Postal Service has served to bind the nation together, promote democracy, and enable commerce. Its mission remains largely unchanged despite the rapid changes in the way we communicate and share information. In fact, its role as a reliable, secure, and trusted delivery provider may be needed more than ever.



The Office of Inspector General (OIG) supports the overall mission of the Postal Service through its own mission of maintaining the integrity and accountability of America's

Postal Service, its revenue and assets, and its employees.

The OIG's goal is to deliver optimal value to joint stakeholders through independent audits and investigations.

Highlighted Statistics

For the period October 1, 2011— March 31, 2012

AUDITS

Reports issued	64
Significant recommendations issued	84
Total reports with financial impact	13
Funds put to better use	\$1,047,184,458
Questioned costs	\$777,383,244
Revenue Impact	\$105,058,258

TOTAL \$1,929,625,960

OIG HOTLINE CONTACTS 62,830

The Office of Audit organizes its audit work in line with the Postal Service's strategic goals, which are to improve service, improve financial performance, and improve safety and employee engagement. The OIG's audit work also focuses on the issues of regulatory studies and reporting obligations, and preserving accountability.

The Office of Audit's mission is to protect assets and revenue, ensure efficient and economical mail delivery and operations, and safeguard the integrity of the postal system. Postal Service executives often work closely with their OIG counterparts to identify

problems and collaborate on solutions. These efforts have resulted in significant savings opportunities. During this period, the OIG issued 64 audit reports and management advisories that resulted in about \$1.9 billion in monetary impact, and the Postal Service accepted 95 percent of the OIG's significant recommendations.

▶ Let Us Hear from You!

The OIG sponsors a blog and audit projects forum to collect feedback and ideas from our stakeholders and the general public. We encourage you to share your ideas, concerns, and comments at:

- Pushing the Envelope Blog: blog.uspsoig.gov
- Audit Project Pages: auditprojects.uspsoig.gov



We need your help. Report postal crimes or misconduct.

**Contact: 888-USPS-OIG
www.uspsoig.gov**



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The OIG also fulfills its traditional role of rooting out fraud, waste, and misconduct to protect the Postal Service's bottom line and maintain confidence in the mail. The OIG's dedication to integrity, accountability, and transparency means that no person in the organization is above the law or immune from the ethical standards set by the Postal Service. In this period, the OIG's **Office of Investigations** completed 1,648 investigations that led to 250 arrests and more than \$315 million in fines, restitutions, and recoveries, of which more than \$48 million went to the Postal Service.

Workers' Compensation Fraud Investigative Results

October 1, 2011 —
March 31, 2012

- 388 fraud investigations resolved
- \$84 million in compensation payments avoided
- 13 arrests
- 18 indictments
- 16 convictions
- 73 personnel actions taken by management

Investigative Statistics

For the period October 1, 2011— March 31, 2012

	Investigations Completed	Arrests	Cost Avoidance	Fines, Restitution, and Recoveries	Amt. to USPS (from previous column)
Theft, Delay, or Destruction of Mail by Employees or Contractors	646	160	—	\$21,490,456	\$113,147
Injury Compensation Fraud	388	13	\$84,344,307	\$246,881,254	\$1,410,650
Official Misconduct	280	17	\$642,950	\$271,474	\$140,397
Financial Fraud and Embezzlements	265	56	—	\$2,380,862	\$2,307,270
Contract Fraud	69	4	\$787,661	\$44,457,622	\$44,456,633
TOTAL	1,648	250	\$85,774,919	\$315,481,668	\$48,428,097



Major Fraud Investigations Division

The Major Fraud Investigations Division is responsible for investigating all allegations of fraud within the Postal Service's programs and operations with a contract award price or billings of \$500,000 or more.

The president of a private mailing company was sentenced in September 2011 to 51 months' incarceration, 3 years supervised release, and ordered to pay restitution to the Postal Service. An OIG investigation determined that between January 2005 and December 2006, a postal mailer devised a scheme to defraud the Postal Service.

The mailer directed and submitted numerous fraudulent postage statements for Standard Mail, indicating that a certain number of pre-cancelled stamps were used in mailings when the mailer knew it to be false. The mailer paid a Missouri postmaster a bribe with checks totaling \$20,000 and paid a postal customer service supervisor a separate bribe of \$10,000 in cash. The loss of revenue to the Postal Service from the scheme to defraud was estimated to be between \$2 million and \$4 million. The president of the mailing company and one additional employee, along with the postal customer service supervisor and the postmaster, were prosecuted in federal court.

In June 2011, the mailing company employee was sentenced to 3 years of probation, 80 hours community service, and ordered to pay restitution. That same month, the customer service supervisor was sentenced to one count of bribery and received 2 years of probation and 60 hours community service. Also in June, a jury found the postmaster guilty of bribery and accepting a gratuity. In August 2011, the postmaster was sentenced to 24 months in prison and 1 year of supervised release.

This case, which the OIG officially closed on February 22, 2012, resulted in an approximate total of \$3,894,630 in restitution to the Postal Service.



To view the entire Semiannual Report to Congress, go to www.uspsoig.gov or call 888-USPS-OIG.