UNITED STATES POSTAL SERVICE

OFFICE OF

INSPECTOR GENERAL

FIVE YEAR

STRATEGIC PLAN

FISCAL YEARS 2017 — 2021

Message from the

ACTING INSPECTOR GENERAL

For 20 years, the U. S. Postal Service Office of Inspector General (OIG) has worked to fulfill its mission of ensuring efficiency, accountability, and integrity in the Postal Service. Given the reach and scope of the Postal Service, our mission is sizable and significant.

The Postal Service is the one federal entity that touches every American nearly every day. It delivers to 155 million addresses 6 days a week regardless of location, convenience, or expense. With nearly $69 billion in annual revenue and 154 billion pieces of mail processed, it is the world's largest postal system, responsible for about 40 percent of the world's mail volume.

The Postal Service provides the nation with a secure and universally accessible platform for commerce and communications. Rather than being relegated in the digital age, the Postal Service's platform is increasingly relied on for ecommerce package delivery and secure communications. Innovation and adaptability are key to the Postal Service's long-term success and it has taken crucial steps to improve existing products, experiment with new services, and streamline its operations.

In late 2013, the Postal Service added Sunday delivery of packages to strengthen its market position in business-to-consumer shipping and to further distinguish itself from its main competitors. Package growth is expected to remain strong as the $1.7 trillion ecommerce market continues to grow.

Data plays an important role in adapting for the 21st Century. Informed Visibility (IV) is the Postal Service's enterprise system that uses real-time data on mail as it moves through the system to measure processing and delivery performance and provide immediate granular insight into specific mail-flows and systemic issues. IV is proving beneficial to both the Postal Service and mailers.

The Postal Service has also cut costs through network consolidation and a reduction in Post Office hours. A recent OIG report noted that the Postal Service has reduced labor costs by $10 billion over the past decade, improved productivity, and generally reined in costs – but in some cases it has come at the expense of service.

Going forward, the Postal Service needs to further innovate and optimize in this time of rapid change or face long-term risks to its financial security. However, it must be careful to consider the impact that major changes have on service, which stakeholders expect to be both reliable and affordable.

The OIG will continue to work to maintain confidence in the postal system and improve the Postal Service's bottom line through independent audits and investigations. We will identify opportunities for cost savings, improving efficiencies, and enhancing innovation.

Over the past 5 years, OIG auditors and investigators have identified billions of dollars in potential monetary savings, cost avoidance, fines, restitutions, and recoveries. The OIG issued over 900 audit reports containing more than 1,000 recommendations for improving Postal Service operations and financial processes. The OIG completed more than 20,000 investigations that resulted in over 6,000 arrests, indictments, or informations; 3,600 convictions or pretrial diversions; and 11,000 administrative actions taken by the Postal Service.

In this Five—Year Strategic Plan for FYs 2017—2021, we present our strategic goals and implementation strategies, which reflect our ongoing effort to align with Postal Service and stakeholder strategies. Our three strategic goals are:

1. Promote efficiency and effectiveness of postal operations;
2. Foster integrity by detecting and preventing fraud, waste, and abuse in postal programs; and
3. Advance OIG innovation and excellence.

The next 5 years, the OIG will continue to use data and predictive analytics to improve the efficiency and value of our investigations and audits. This approach will further enhance our proven ability to identify investigative and audit leads with a high likelihood of fraud detection, prevention, and monetary savings.

Knowledge sharing and collaboration remain the cornerstones of our approach to professional development. We value every OIG professional and will work to recruit, retain, and develop a highly skilled

and diverse workforce to perform audits, investigations, and mission support operations.

Engaging stakeholders and communicating with them are extremely important to our work and mission. We will continue our outreach through various channels: our blog and Audit Asks webpage, through GovDelivery alerts, via social media, discussion forums, and conference attendance. Stakeholder input is crucial as it often leads to audits or investigations, or simply helps us to better focus our work.

Operating by our values, I am confident we can continue to deliver optimal value to the Postal Service and our stakeholders. As is evident by our plan, we stand ready to support the Postal Service and Congress as they confront fundamental questions on the future of the Postal Service.

Tammy L. Whitcomb
Acting Inspector General
United States Postal Service Office of Inspector General

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Overview of Office of Inspector General

STRATEGIC PLAN, FYS 2017 - 2021

MISSION

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

VISION

Advancing excellence for a thriving Postal Service

STRATEGIC GOALS

1. Promote efficiency and effectiveness of postal operations
2. Foster integrity by detecting and preventing fraud, waste, and abuse in postal programs
3. Advance OIG innovation and excellence

VALUES

- Results
- Innovation
- Leadership and Professionalism
- Knowledge
- Flexibility

MISSION, VISION, AND VALUES

OUR MISSION

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

OUR VISION

Advancing excellence for a thriving Postal Service

OUR VALUES

Results

- Demonstrate critical thinking ability
- Exhibit good judgment and business acumen
- Demonstrate effective oral and written communication skills
- Perform at a high level on each assignment

Innovation

- Identify and implement new ways to achieve results
- Introduce new ideas and inspire others
- Demonstrate the effective use of current and emerging technology and social media

Leadership and Professionalism

- Demonstrate leadership
- Develop self and others
- Treat others with respect
- Collaborate and promote teamwork
- Demonstrate positive interpersonal skills

Knowledge

- Further institutional knowledge by contributing to Communities of Practice, Employee Engagement & Empowerment (e3), and the Knowledge Centered Environment (KCE)
- Incorporate organizational knowledge in projects and assignments
- Build and maintain knowledge networks
- Share knowledge and mentor others
- Continuously expand one's own knowledge

Flexibility

- Embrace and champion change
- Contribute through ideas and leadership
- Exhibit flexibility, adaptability, and resilience

Strategic Goals and

IMPLEMENTATION STRATEGIES

In keeping with the *Government Performance and Results Act* and the *Inspector General Act*, our strategic goals and implementation strategies form the foundation of this strategic plan and are designed to guide us in performing work that will improve our operational efficiency and effectiveness and the value of our products and services. We developed these goals and implementation strategies to ensure continued alignment with Postal Service and stakeholder strategies.

Implementation Strategies

- Focus strategically, with "just-in-time" work that addresses risks to the Postal Service, as well as opportunities for it to increase revenue, optimize operations, cut costs, and better position itself in the marketplace.
- Conduct audits of the Postal Service, its investigative services, and its security programs and make recommendations that will improve the safety and security of the nation's mail systems, its data and information systems, and its employees.
- Conduct audits of Postal Service operations and processes and make recommendations to strengthen internal controls on postal systems.
- Inform the debate among stakeholders and Congress on the future of the Postal Service's business model.
- Continuously monitor trends affecting the Postal Service and customers to identify opportunities for innovation in the types of products and services the Postal Service offers.
- Observe global trends to gather best practices, anticipate postal market innovations, and propose new products and services.

Summary Measurement Indicators

Revenue impact; monetary benefits; interactions with external stakeholders and opinion leaders; and timeliness, quality, and cost of audits.

Summary Performance Measures

- Produce reports identifying recommendations that lead to revenue growth and/or cost reductions.
- Produce audits, white papers, and other reports that identify opportunities to increase the effectiveness of mail and increase mail volumes (e.g. RFID or QR code on mail piece).
- Number of audits initiated based on analytics tools.

STRATEGIC GOAL #1

Promote Efficiency and Effectiveness of Postal Operations

Make recommendations that enhance service and improve operational economy efficiency and effectiveness. Explore emerging opportunities and industry best practices and innovations.

Implementation Strategies

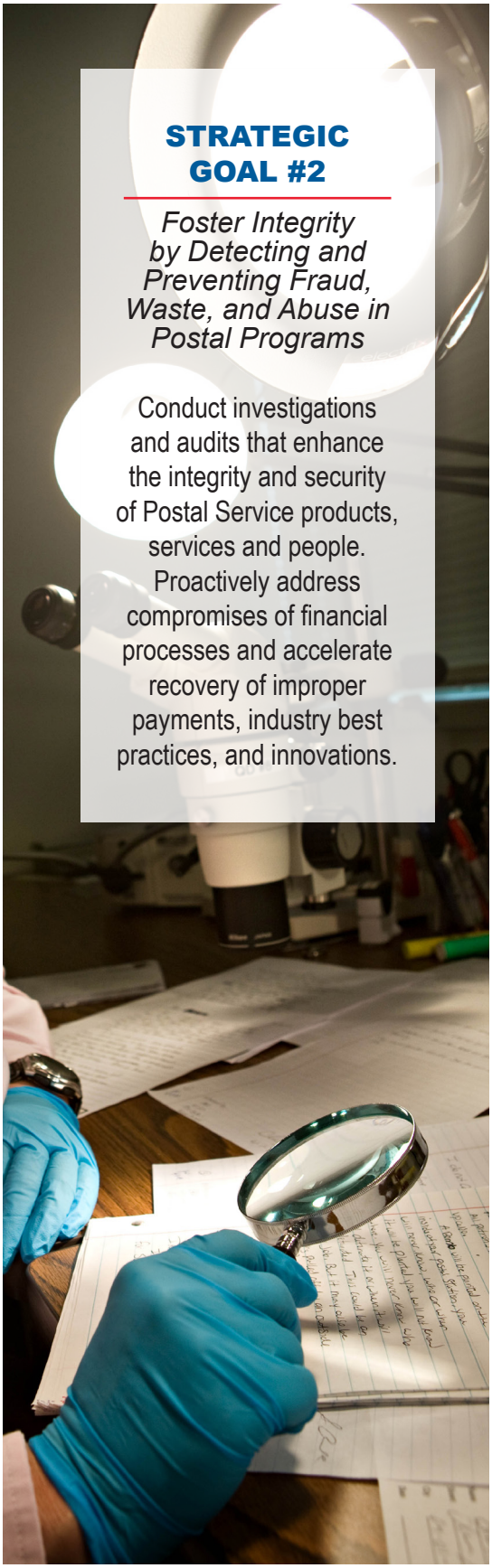
- Conduct objective, independent, timely, and high-quality investigations of misconduct and fraud and promptly refer the results of those investigations to the appropriate authorities.
- Conduct investigations that, over the next 5 years, will achieve significant results in fines, restitutions, recoveries, settlements, and cost avoidance for the Postal Service.
- Expand the OIG's use of data analytics and predictive data modeling tools to identify vulnerabilities, develop investigative and audit leads, and enhance the effectiveness of OIG work.
- Deploy OIG assets based on data-driven analysis of risk and impact to the Postal Service.
- Coordinate with the Postal Service on using data analytics to increase visibility in its control environment over operations.

Summary Measurement Indicators

Timeliness, quality, and cost of investigations; actual cost avoidance, fines, recoveries, settlements and judgments; closed investigations; administrative actions taken; financial impact; improved investigative targeting; effective recommendations proposed; and timeliness of case resolution.

Summary Performance Measures

- Resolve and refer investigations for criminal, civil, and administrative action.
- Number of investigations initiated based on analytics tools.
- Total investigative financial impact (cost avoidances and fines / recoveries/restitutions to USPS).
- Investigations Quality Assurance.
- Percentage of medium/high impact investigative work.
- Number of analytics tools built to support investigations and audits.
- Impact of analytics tools built to support investigations and audits.



STRATEGIC GOAL #2

Foster Integrity by Detecting and Preventing Fraud, Waste, and Abuse in Postal Programs

Conduct investigations and audits that enhance the integrity and security of Postal Service products, services and people. Proactively address compromises of financial processes and accelerate recovery of improper payments, industry best practices, and innovations.

Implementation Strategies

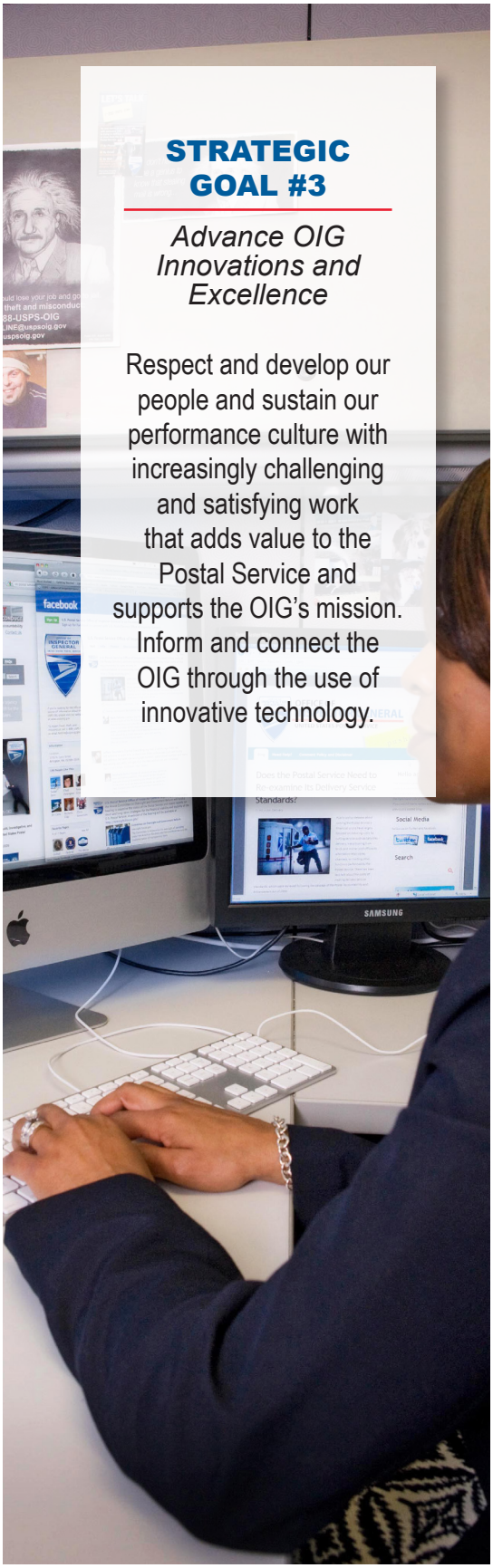
- Recruit, retain and develop a highly skilled and diverse workforce to perform audits, investigations, and mission support.
- Continue to improve the OIG knowledge-centered environment and communities of practice to promote information sharing and postal knowledge.
- Leverage innovative and cutting edge technologies to provide employees with the information they need, anytime, anywhere.
- Develop and execute strategies for stakeholder relations and internal and external communications to support people, mission, and performance.
- Deliver human resources, budget, accounting, facilities, and asset management services and solutions to drive and support OIG performance.
- Develop and deliver solutions for data analytics, learning and knowledge management, leadership development, and strategic planning and performance to develop people, improve internal efficiencies, and sustain a performance culture.
- Continue to monitor and improve employee and customer satisfaction.

Summary Measurement Indicators

OIG budget execution; customer survey results; and internal customer/employee satisfaction and engagement.

Summary Performance Measures

- Perform and facilitate outreach, engagement, and reporting to stakeholders.
- Office of General Counsel (OGC) timeliness and Customer Satisfaction Survey results.
- Create innovative learning objects and deliver cross-component knowledge sharing opportunities.
- Office of Chief Information Office (OCIO) identify and develop solutions for top systemic issues.
- OCIO improve customer satisfaction, service levels, and survey results.
- OCIO develop internal media products (videos, brown bags, etc.) that showcase existing IT software tools and/or capabilities.



STRATEGIC GOAL #3

Advance OIG Innovations and Excellence

Respect and develop our people and sustain our performance culture with increasingly challenging and satisfying work that adds value to the Postal Service and supports the OIG's mission. Inform and connect the OIG through the use of innovative technology.

- OCIO achieving milestones in modernizing infrastructure and adopting future technologies
- Quality of budget submission to the Office of Management and Budget (OMB) with minimal edits.
- Provide list of best qualified candidates (BQ list) to selecting official within 30 days of receiving request to post.
- Increase Mission Support (MS) customer satisfaction survey results.
- Increase Federal Employee Viewpoint Survey (FEVS) employee satisfaction index.

Appendix A

STRATEGIC ALIGNMENT AND PLANNING

Audit

The Office of Audit's (OA) focus is on those projects that provide Postal Service management with information to address the emerging strategic issues and major risks and management challenges the organization faces.

In October 2016, the Postal Service published its 5-year Strategic Plan, which articulated its current and forecasted challenges and identified four key future ready goals:

- Deliver a World-Class Customer Experience
- Equip, Empower, and Engage Employees
- Innovate Faster to Deliver Value
- Invest in Future Platforms

We have seen significant shifts in the postal industry the past several years. The strategy of revenue diversification, away from traditional mail products, has gained traction and yielded success. Posts are building business units in new diverse areas that are as performance -driven as their legacy businesses. Technology continues to play a significant role in this future. eCommerce is producing a wave of parcel volumes and revenues. As posts become a part of the broader eCommerce ecosystem, a new breed of digital postal business is born.

OA's planning process ensures that our audit work addresses key risks and restructuring objectives. OA uses an Enterprise Risk Management approach to identify both risks to the Postal Service and opportunities for innovation. OA executives update their annual assessments of key risk factors and discuss the assessments with all OIG executives. OA executives keep abreast of strategies in the postal industry, focusing reviews on relevant best practices and successful strategies. OA executives and directors also maintain professional relationships and outreach with Postal Service executives and other stakeholders to ensure open communication and full coverage of postal issues and challenges. In quarterly meetings, OA executives and directors discuss strategic focus areas that emerge from the risk discussions, and, based on risks, opportunities and stakeholder concerns, develop "just-in-time" audit projects for the next calendar quarter. These processes allow OA to also focus on future strategies to help the Postal Service be a successful enterprise in the 21st century.

OA will continue to enhance its Performance and Results Information Systems (PARIS) models with predictive modeling elements and improved data visualization techniques. These models identify operational and financial risks, and enable OA staff to analyze and conduct reviews of Postal Service functions on a nationwide basis, while also identifying areas of emerging risk. OA shares PARIS model results and underlying data with OI, the Governors,

Postal Service officials, and other key stakeholders. Postal Service management uses PARIS information to help identify risks within their districts. OA meets its statutory responsibility by conducting audits and evaluations in the following areas:

- Network ProcessingTransportation
- Finance
- Cost, Pricing, and Investments
- Human Resources and Support
- Supply Management and Facilities
- Delivery
- Retail, Marketing, and International
- Information Technology

Investigations

The Office of Investigation's (OI) structure and resource redeployment are designed to cover postal program vulnerabilities and are aligned geographically to the postal workforce. OI also has specialized units, including the Computer Crimes Unit and Cyber & Technical Operations Unit. With approximately 600 special agents stationed in more than 103 offices nationwide, OI meets its statutory responsibility by investigating internal postal crimes involving:

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

For each postal area, special agents in charge develop domain awareness, including risk awareness based on the profile of vulnerabilities in the area. OI relies in part on the OIG's Countermeasures and Performance Evaluations (CAPE) data analytics function. CAPE uses data mining and predictive modeling to extract non-obvious patterns and relationships within data to better target the work of special agents (and auditors). OI also tracks ongoing and potential criminal activity in order to direct its resources to anticipate the scope of investigative work.

Appendix B

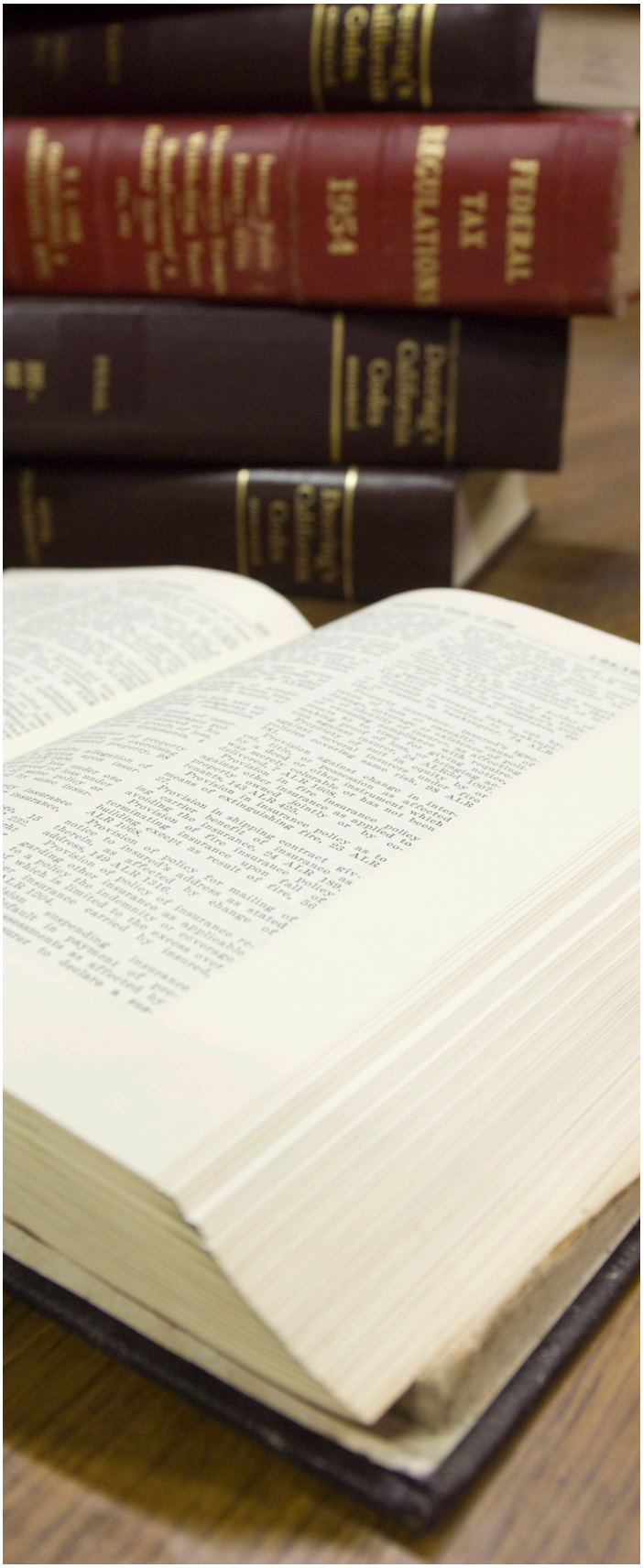
STATUTORY RESPONSIBILITIES

The Postal Service OIG was established pursuant to provisions of the Omnibus Consolidated Appropriations Act of 1997, Public Law 104-208, on September 30, 1996. General OIG authority is derived from the Inspector General Act of 1978, as amended, codified at 5 U.S.C. Appendix 3, §§ 1-13, which provides statutory responsibility to protect the integrity of Postal Service programs and operations, and to ensure that the mail service is administered with maximum economy and efficiency.

As prescribed by the IG Act, we will:

- Maintain our independence and objectivity to conduct and supervise audits and investigations relating to the programs and operations of the Postal Service;
- Recommend policies and practices to promote economy, efficiency, and effectiveness in the administration of Postal Service programs;
- Take appropriate action to prevent and detect fraud, waste, and abuse in the Postal Service's programs and operations;
- Oversee all activities of the U.S. Postal Inspection Service, including any internal investigation performed by them;
- Keep the Governors and Congress fully informed about problems and deficiencies and the necessity for and progress of corrective action;
- Receive and, as appropriate, investigate complaints from any person or entity, including Congress;
- Report violations of law to the U.S. Attorney General;
- Review existing and proposed legislation and regulations;
- Protect the identity of whistleblowers; and
- Prepare and submit semiannual reports to the Governors and Congress.

The Postal Accountability and Enhancement Act of 2006 requires the OIG to regularly audit the data collection systems and procedures the Postal Service uses in collecting information used for its report to the Postal Regulatory Commission.



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