
PURPOSE: To inform the American Public about the corruption of the U.S. Postal Service and its new Mailing Industry Partners. The U.S. Postal Service has stolen the American Public’s original investment in public facilities given to it in 1970 and much more.

First, the Agency was given 30,000 post offices in 1970 that were built with Federal (Public) funds to be held in trust and if sold the money was to build new ones. The Service now only owns $8,000+/ facilities and leases 27,000+. Now forty years later, the Postal Service says it has 33,000-38,000 facilities that it reports it has. In reality, it has only 27,200 facilities that are revenue producing Post Offices. The Public is blindly footing the bill for 10,000 public facilities that are not public serving or revenue producing Post Offices. Then there is the $78 billion that was the Military Retirement stolen by the Agency and given to its Mailing Industry Partners. In 1970 when Congress gave the new Agency 30,000 public facilities to start it asked in consideration that the Agency fund the Military Retirement (Vietnam) portion. Forty years later, the Agency cried “it’s unfair” without telling how many billions of dollars postal employees paid out of their own pocket to buy-back their military time for retirement. In 2006 the fooled Congress forgave the $78 billion to put the Agency back into financial health. Five years ($15.6 billion per-year) later the Agency is crying false alligator tears giving $18 billion a-year in workshare discounts to the Mailing Industry. What happened to the Public’s original investment in the lost 22,000 Public Facilities or their Public Trust Funds (average $4 million*22,000=$88 billion)? What happened to the $78 billion in Military retirement funds given by Congress in 2006 with the promise from the Postal Service that the money would be wisely used to keep the mail moving long into the future?

Second, the U.S. Postal Service used public funds to create the Junk Mail Industry which in fact is simply advertising revenue stolen from the American Newspapers and Magazines. The American Public has suffered a double blow from the loss of many of our “Free Press” communications that Congress intended the Agency to help with not destroy. I would cite Advo/Valpak’s purchase of the Chicago News Tribune to show how much the publicly funded Junk Mail Industry has invaded our Free Press. This has also allowed the Postal Service and its marketing Partners to drown out any opposition in the “Press” with their propaganda. One part of the Mailing Industry the Credit Card (big Bankers) Companies with a Federal Agency’s “stamp of approval” (the Public’s Trust of a Federal Agency to do Good) convince the American Public that these credit card and other advertising offers through the mail must be legitimate. The Postal Service did not put in any check, balances or accountability into it’s publicly created and funded Mailing Industry. The Postal Service did not ask Congress or the American Public if it could create the Mailing Industry. The Postal Service Officials, “who could not plan their way out of a paper bag,” but with a $500 million in Public funds spent each year for advertising also gets the best “Spin Doctors” to tell its sad story of how they tried their best. This keeps any “bad press” out of the free-press receiving millions of dollars in Public Money spent by the Postal Service for advertisement. Fronted by its Mailing Industry Partners, the Postal Service is now asking Congress’s belated approval to pull the plug after they have taken a very expensive ride paid for by the American Public. The true question is, does Congress and the American Public want to give the dog the bone after it has eaten all the best meat or is there enough meat on the bone left to make soup for the Public’s trillion dollar investment?
Thirdly, and not last the Transformation and Privatization Plans of current and retired Postal Executives, Contractors, Consultants and other associate “Partners” seem to be simply take any postal product or service and its Public Funds and “privatize” it. In doing so the Postal Service created hundreds of entities like SkyPostal Network, Mail2000, Mail Express, Streamlite and Earth Class Mail using the unknowing Public’s Funds. All of which are managed by former postal executives (Stamps.com), federal contractors (Pitney Bowes Mailing Services) and consultants (Accenture). The Postal Service is using Public Funds to create nonprofits like Nation Postal Forum, Direct Marketing Association, Association of Postal Commerce and the CEO Council, to name a few. These Entities after receiving the Public’s money turn around and lobby for more so they can take another profitable chunk before throwing the scraps into the “downsizing” pile. Just compare how many closed meetings (Mailers Technical Advisory Committee), Closed contracts (FedEx), conferences (PostCom), forums (National Postal Forum), and trade shows (World Mail Awards) Postal Executives have had with their Mailing Industry Partners (paid for by the public) and how many meetings Postal Executive have had with their Employees or the Public. Every USPS Board of Governors meeting has been certified closed to the Public by approval of the USPS General Counsel since the Sunshine Act was created by Congress. A USPS BOG sitting on the Board of Washington Mutual and sitting on the Board of the National Postal Forum should say enough about any BOG’s opinion in favor of the Mailing Industry. PRC Officials long ago have stated their opinion of privatization of postal services. A PRC Commissioner created nonprofit Women In Logistics and Delivery Services (WILDS). WILDS meetings are held in PRC Headquarters and wine tasting in Law Offices representing the Mailing Industry. Members include Attorneys, Contractors, and Consultants of the Mailing Industry and other government officials from the USPS OIG, USP IS and the GAO. Consider former Inspection Service, Office of the Inspector General and the PRC Officials are on the Boards of the mailing industry companies and their opinions and testaments do not lie in the Public’s interest. These Mailing Industry companies were created with Public (Trust) Funds and their profits go to the Federal Officials and Contractors who created them not the Public. The only question an investor can ask is how much of the Mailing Industry does the American Public own for their Trillion Dollar Investment?

There is a simple analogy of the Money-Changers in the Temple. The Temple was built by the people for the people to use not the Money-Changers. The Money-Changers say they have a right to use the Temple for what they say is a better and higher public purpose which can only be both propaganda and a lie to the ones who paid for the Temple. The simple solution or test is to kick the Money-Changers out of the people’s Temple and see they can live without changing the Public’s money into their own.

Junk Mail funded by the Public is 1-2% of the Public’s waste which makes the Public pay more to have disposed of doubling the cost to Public. In the words of Conan the Barbarian “destruction” of the Enemy and their cries of lamentation would be good to here. The American Public and their Temple, the U.S, Postal Service, was built for a meaningful free-society communication purpose has been turned into another tool of the Advertising Industry all financed by the American Public.

Thereby, I intervene to save my Federal Employee Retirement along with the unaccountable public funds stolen and wasted to create and continue to waste supporting the Junk Mail Industry which Congress and the American Public have never wanted.

Title 5 § 2635.101, Basic obligation of public service – “(11) Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.”
5 CFR 2635.702, - “Employees must not use public office for their own private gain or for the benefit of others such as any business with which they are affiliated.”

Postmaster General Patrick R. Donahoe, 18 February 2011, Dear Colleagues, - “Over the years I have spoken often about the importance of ensuring that the Postal Service always meets the highest ethical standards and that everything we do as an organization earns the trust placed in us by the American people. Doing the right thing is a responsibility we all share collectively, and as individuals, and it is not an exaggeration to say that it is vital to our success as an organization. … At every level of the organization, we must foster an internal culture that values the person who identifies an ethical problem and finds the appropriate solution; who stops to seek guidance if a particular matter poses an ethical dilemma; and, who encourages discussion and raises awareness of the conduct we must all promote…”

PRC Docket RM2008-3, Order Establishing Rules for Complaints, Order 195, 24 March 2009, - “The Commission believes also that its enhanced authority under the PAEA may encourage more individuals to seek the Commission’s assistance in resolving their issues with the Postal Service. As a result, the proposed rules provide the mailing public with an avenue for bringing their concerns to appropriate Postal Service personnel. ... Section 3662(b) requires the Commission to make a determination as to whether the complaint raises a material issue of fact or law within 90 days after the filing of such complaint. ... The Commission understands that it may not be clear when something is the beginning, as opposed to the middle or end, of a pattern. The Commission’s goal for this provision is to identify occurrences that may indicate that a pattern is developing...”

USPS OIG and the Mailing Industry - USPS Mail Processing Network Rationalization Service Changes, 2012 Docket No. N2012-1, - “The Postal Service explains that the circumstances under which it seeks this advisory opinion are explained in the Direct Testimony of David Williams on Behalf of the United States Postal Service (USPS-T-1)...”

Minutes of the USPS Mailers Technical Advisory Committee (MTAC) meeting, November 2-3, 2005, Office of Inspector General Presentation David Williams, Inspector General, - “...The investigative difference between the OIG and the U.S. Postal Inspection Service is that the OIG looks inward on employee and contractor crimes such as bribery, extortion, and conflict of interest... Mr. Williams commented that the audit arm is currently involved in the restructuring of the network operation, the resolution of some of the issues related to technology design, the development of faster and more accurate financial reports, and implementation of efficiencies in the management information systems area. There is a continual quest for the lowest combined cost (usually through work sharing) for the mutual benefit of both the USPS and its customers...”

Inspector General David C. Williams letter sent to Senator Grassley, 15 Dec 06, (OIG report #SA-OT-07-001) stated that the jurisdiction for internal criminal investigations was transferred to save money and a report of the $50 million savings was included. The IG stated that this was done because internal criminal investigations functions were not transferred in 1996 to the OIG as required by the IG Act and Congressional intent. Nothing in the IG Act grants the OIG criminal investigation authority with the added
benefit of a 20-year law enforcement retirement’s high costs that are then blamed on employees as labor costs.


APWU Web News Article #108-07, Nov. 27 2007, - “APWU President William Burrus slammed the Office of the Inspector General recently, charging that in a September audit report [PDF] on employee benefit programs the office had inserted itself into the collective bargaining arena. To Inspector General David Williams, Burrus said, “Simply put, your analysis of the cost of postal benefits compared to those of other federal agencies lacks relevance.” “The statutory mandate for bargaining has been and continues to be ‘to establish and maintain wages and benefits comparable to the private sector,’” Burrus wrote, “but your analysis compared the USPS negotiated-benefit programs to six federal and five quasi-federal agencies.” The OIG comparison, the union president said, “has no standing in the bargaining process.” He noted that both the Postal Reorganization Act of 1970 and the Postal Accountability and Enhancement Act of 2006 require the Postal Service to bargain with employee unions over wages, benefits, and working conditions…. Burrus said that he was “particularly offended by the report’s claim that reductions in benefit program contributions represent ‘$1.073 billion in funds put to better use.’ “Your auditors are not positioned to arrive at such a conclusion,” he said. The APWU president also criticized the Inspector General for the OIG’s failure to address billions of dollars granted to major mailers in excessive worksharing discounts. “Despite the enormity of this loss of revenue, your office has failed to document and analyze this egregious violation of the integrity and accountability of the Postal Service.” “It is especially troubling that your office has remained silent while the USPS has failed to adjust workshare discounts to reflect the reduction of millions of work hours that resulted from automation. As you undoubtedly know, under the law, as work hours used for mail processing are reduced, the avoided costs reflected in workshare discounts must be reduced proportionally.” “Rather than producing an irrelevant comparison of postal benefit costs to those in other federal agencies,” Burrus wrote,
“your office would better serve the public interest by exposing this collusion between major mailers and postal management.”

Memorandum for all OIG Staff - 16 Jan 08, Inspector General David C. Williams, - “Last year, OIG special agents conducted 8,128 investigations and arrested 817 employees and contractors for postal crimes… Administrative action was taken against 4,051 employees as a result of our efforts… **long-term cost savings of over $208 million** dollars as a result of our work… Our hotline received more than 80,000 contacts last year.” Compatibility the OIG Reading Room website has less than 200 audits of Postal Service Programs and Products (audits of management).

--- Note --- Out of 80,000 complaints received by the OIG only 10% were investigated. Out of 8,000 investigations 10% resulted in arrest and 50% resulted in administrative discipline. $208 million/8,128 = $25,590 saved each investigation is 6-months of pay for the average postal employee. 4,051 employees times $50,000 yearly-pay = $202,550,000. Administrative discipline can only impose a 14-day suspension or discharge so all 4,051 employees would have to be discharged for the OIG to claim $208,000,000 in cost-savings. OIG employees are paid a twice the rate of regular postal employees to do investigations so where is the $208 million cost-savings really come from? The cost of the OIG investigation plus the cost of training new employees and their pay would off-set any savings (cost more). The 72,000 complaints not investigated could have resulted in $1,842,480,000 saved. Since management is 13% of the total personnel in the Postal Service 13% of the 4,051 employees disciplined 450 should be management and of the 817 employees arrested 85 should be management. With far more Contractors and other private Postal Industry Employee (8 million) touching the mail than Postal Service Employees most of the investigations should be directed at non-postal employees or it would show that the OIG investigations and arrests are bias (discrimination). And the there is the Postal Inspection Service Law Enforcement Officers, with their 20-year retirement jacking up the labor-cost blame on employees, unlawfully (39 U.S.C. 233) conducting criminal investigations of the same employee misconduct that costs the rate-paying Public double.

If the American Public can’t trust the OIG Inspectors or Federal Law Enforcement Officers who can they trust? Their Annual Report numbers and results of audits would make any ENRON accountant blush, except that the Postal Service has hired ENRON’s former public accountant Arthur Anderson turned consultant Accenture to help cook-the-books and spew forth propaganda worthy of a Nazis-Spin Doctor.

APWU Web News Article #21-08, Feb. 28, 2008, - “APWU President William Burrus has asked USPS Inspector General David Williams to conduct an audit of the postal practice of permitting subcontractors to park trucks and store equipment on USPS property free-of-charge. The practice raises USPS operating costs and defers potential revenue, Burrus charged in a letter to the Inspector General (IG). “There is no uniform policy to determine when this added benefit will be afforded,” Burrus wrote, noting that the value of using **USPS property is not considered when contracts are negotiated.** He requested that the IG conduct an immediate review of the “economies and efficiencies” associated with management’s ad hoc arrangements. “The postal policy of granting this perk is significant,” Burrus explained later, “because it **obscures the true cost of subcontracting.**” In his letter to the IG, Burrus also charged that “the Postal Service has routinely accepted amendments increasing the costs of contracts that have been bid upon
and finalized.” The practice avoids transparency in the bidding process and provides a competitive edge to the original bidder, he said. Raising the Bid, Burrus cited a 1997 contract that showed dramatic increases in cost over a short period of time, without the benefit of a competitive bid. Postal documents [PDF] reveal that just 17 days after the bid was submitted, the cost of the Phoenix AZ subcontracting agreement increased from more than $151,000 to more than $509,000; five-and-a-half months later it ballooned to more than $845,000. The cost of the contract exceeded $1.098 million in November of 2000, before settling down to more than 300 percent of the original bid in 2001. Each price change was accepted and paid by the Postal Service without additional competitive bidding….. **I hope the Inspector General will live up to his responsibility to investigate these matters,**” he continued. “The IG has shown little enthusiasm for monitoring excessive worksharing discounts that also deprive the Postal Service of needed revenue, while displaying great interest in examining employees’ benefits and their medical records.” Burrus and the Inspector General have had sharp exchanges over these issues, and in January the APWU and the National Association of Letter Carriers filed suit against the Postal Service and the IG for systematic and widespread intrusions into the medical records of postal employees. “The Inspector General needs to adjust his priorities. I hope he will begin here,” Burrus said.”

Oral Statement on the three R’s of the Postal Network Plan: Realignment, Right-Sizing, and Responsiveness, 24 July 2008, David C. Williams, IG USPS, - “The Postal Service has used several strategies in its network realignment and each has its challenges… In the past 5 years, they have closed approximately 50 airport mail center and remote encoding centers, consolidated mail at 12 processing and distribution centers, and outsourced 13 airport mail centers… Looking to the future, the recently issued Network Plan describes the Postal Service’s vision of rationalizing its infrastructure and workforce… The Postal Service is considering improving efficiency and service in the bulk mail centers (BMC) network through outsourcing, and issued a draft request for proposal on July 1, 2008. Risks that must be addressed in this approach include reporting requirements of misconduct by contractors; work stoppages’ and conflicts of interest from contracting with parent or subsidiary companies of mailers.”

USPS OIG News Release, 14 October 2008, - “...The Postal Service OIG has ventured into the Blogosphere to become the first IG office to open up a public blog. Dipping into the toolbox of Web 2.0 applications, the OIG is blogging to reach and gather ideas from Postal Service and mailing industry stakeholders. ‘We are sponsoring this blog to facilitate an ongoing dialogue on relevant issues affecting the Postal Service. This effort will allow us to reach stakeholders for online discussions of emerging issues as well as attack chronic dilemmas with new ideas from a large number of perspectives,’ said inspector General David C. Williams… **The OIG’s goal with this venture is to add further value to the USPS.**”

Rutgers University’s 17th CRRI Conference on Postal and Delivery Economics, 27-30 May 2009, Bordeaux, France. Speakers: Margaret Cigno PRC and Organizing Committee: David Williams Inspector General USPS and John D. Walker, Director, Rates Analysis & Planning PRC. Attending: Gary Battaglia Pitney Bowes, Mary Davis PostCom, Gene Del Polito Association for Postal Commerce, Charles E. Fattore RR Donnelley, Paul Smith UPS. Abstract: Changing Postal Environments and the Impact on Marginal Cost, by Margaret Cigno and Diane Monaco PRC, - “...In this paper we will
be using U.S. Postal Service **mail processing plant data for the entire United States**, we will calculate plant level average cost on both a quarterly and an annual basis. Preliminary results reveal a wide variation in average cost among plants.” “An Operational Measure of the cost of Universal Service as Cross-Subsidy” Authors: Margaret Cigno, Dianne Monaco and Edward S. Pearsall. – “In this paper we present estimates of the maximum cross-subsidy for several recent postal fiscal years. In addition we identify and characterize the properties of the regions of the U.S. that are apparent beneficiaries of the cross-subsidies.” Dr. Edward Pearsall, Operations Research Consultant with Distribution Consulting Service Inc., London. A registration fee of $1,500 is payable to Rutgers University.  – Statement of USPS Inspector General David C. Williams, before the Committee on Oversight and Government Reform, 15 April 2010, - “...Thirdly, we and the Postal Service have recognized the need for a simplified, pricing structure, to replace the over 10,000 prices in their 1,700 page customer manual. A simpler pricing structure would be easier to use, encourage new customers, and improve revenue accountability... The Postal Service is being bled white with erroneous payments before they open their doors. The **$7 billion mischarge accounts for 66 percent of the Postal Service’s projected $11 billion loss for this year**. This is also serious because the Postal Service Pension Fund is not made of tax dollars. The two funding streams are employees’ own money and money collected from postage sales inflated as a result of this mischarge.”


USPS News Link, 29 June 2010, - “As part of the Postal Service’s ongoing efforts to **increase service levels**, improve flexibility and speed and meet the ever-changing dynamics of the marketplace, PMG Jack Potter has announced four officer assignments within USPS Operations ... Tim Haney, David Williams, Kelly Sigmon ... Tim Haney...”

--- So is the OIG’s testimony for the Postal Service or the Mailing Industry “Partners?” Is his testimony in the best interest of the American Public that pays his federal salary and 20-year law enforcement retirement?

**Chief Postal Inspector and the Mailing Industry** - Kenneth J. Hunter – In 1986 the Postmaster named Kenneth Hunter Senior Assistant Postmaster General for Management Information and Research Technology.


Los Angeles Times, 10 May 1996, U.S. Arrest 45 in Mail-Order Child Porn Sting – “... ‘Merely shutting down Overseas Male was not enough,’ said Chief Postal Inspector Kenneth J. Hunter in Washington, ‘because those who created the demand for child
pornography were still out there’.” … Marketing service company Valassis that carries
the “Have You Seen Me?” photos of missing children on its back cover of mailings sent
to millions of Americas through the Postal Service. The National Center for Missing &
Exploited Children appointed Kenneth Hunter as its National Director. … Missing
Children Day – “The success of picture programs in helping to locate missing children is
exemplified by the success of ADVO’s America’s Looking for Its Missing Children
program, launched in partnership with NCMEC and the USPS in 1985.”

Gary M. Mulloy CEO of ADVO and Deputy Postmaster General John M. Nolan are
on the Mailing Industry Task Force and gave a presentation together at the National
Postal Forum “including a recap of recommendations set forth by the MITF in its 2001
report, titled Seizing Opportunity, and steps and actions the Postal Service has taken to
address those recommendations… ‘We continue to work together to ensure the success of
the mailing industry.’ said Nolan.”

USPS Business Environment Assessment 2009-2013, Health of the Mailing Industry -
“Through its 2006 acquisition of Advo and its re-branding as RedPlum, Valassis
positions itself as an unique diverse, and compete source of solutions for integrated media
planning and implementation needs. Forty-two percent of Valassis revenue is from free-
standing inserts (newspapers) and 30 percent is from neighborhood targeted pieces
(mail), both experiencing continued intensive competition.”

24 February 2009, Valassis’ Plan to End Newspaper Coupons outrages Middle
America, - “Valassis CEO Alan Schultz told investors recently that ‘we are hearing some
consumer grumbling’ about his company pulling its Red Plum coupons out of local
newspapers in favor of sending them via the USPS or making them available online at
RedPlum.com... which is odd because removing coupons from local newspapers is a
huge threat to the industry...”

the House Government Reform and Oversight subcommittee on the Postal Service.
McHugh charged Kenneth J. Hunter with illegally lobbying against the congressman’s
proposal to limit the top postal inspector’s duties.”

Kenneth Hunter testified before the Committee on Governmental Affairs, 20 July
1999, The Hidden Operators of Deceptive Mailings - “...I announced that the Inspection
Service had joined with the National Council of Better Business Bureaus (CBBB) to
make a vision we share a reality... we plan to launch perhaps the most ambitious fraud
prevention initiative ever undertaken, Project kNOw Fraud. In October, we will mail to
every home in America a card containing valuable fraud prevention tips and providing
a toll-free number to call and an address to write for information.”

The Council of Better Business Bureaus named USPS Chief Postal Inspector
Kenneth J. Hunter as CEO in October 1999. Former CBBB CEO James L. Blast was
president of the National Advertising Review Council. FedEx and the National
Advertising Division of the CBBB were upset with the $20 million Priority Mail ad
campaign the USPS began in 6 November 1999 and filed suit in Federal District Court in
Memphis. National Advertising Review Board member include: Eric Andrews, VP
IBM, Andrew Farver Chase Bank, Amy Fuller MasterCard, Natasha I. Householder
Ernst & Young LLP, and Alixe Johnson USPS.

In November 1999 the FTC and the USPS launched a “Telemarketing Fraud Target of
Unprecedented Interagency Consumer Education Initiative national program “KNOW
FRAUD” with Janet Reno US Attorney General, William J. Henderson USPS PMG, Kenneth Weaver USPS CPI, and Kenneth Hunter CEO CBBB.

The CBBB issued the Code of Online Business Practices in November 1999, - “... ‘This new code will be a roadmap for businesses engaged in e-commerce, including that are new and inexperienced,’ said Kenneth Hunter, CEO of the Council of Better Business Bureaus, the umbrella organization for the 132 BBBs in the United States and Puerto Rico.”

In January 2001 the CBBB fought the USPS over the Private Mail Box rule the Postal Service wanted to protect consumers from fraudulent Mail Box Addresses used by criminals. The CBBB won and USPS did not enforce the new rules to protect consumers.

In January 2004 Kenneth Hunter was a panelist at the CXO Media’s Executive Policy Forum that served as the kick-off event for a U.S. Department of Homeland Security event. CXO Media Inc. is a subsidiary of IDG, the world’s leading IT Media, Research and Exposition Company.

In May 2004 Kenneth Hunter at The Yale CEO Leadership Summit sponsored by UPS gave talk a session about – “Who Stole the Good Governance Movement?”


Kenneth Hunter became a director at TLO Inc., owned by Choice Point Inc., a Data Mining company used by law enforcement agencies and private corporations. 5 March 2005, - “ChoicePoint Inc. on Friday said federal authorities have begun inquiries into last year's theft of personal data affecting tens of thousands of consumers in 50 states, as well as recent trading in company stock by two of its top executives. In addition, the Alpharetta, Ga., company that keeps records on nearly every U.S. citizen said it would no longer sell information that contained Social Security numbers, driver's license numbers and other sensitive consumer data...”


GAO Report 03-267, Nov 2002, More Consistent Implementation of Policies and Procedures for Cash Security Needed: “However, Service management does not always provide appropriate oversight of these activities and Service employees do not always follow the Service’s policies, procedures, and activities for controlling and physically securing remittances. Further, at selected postal facilities, we observed that Service policies and procedures for controlling and securing remittances were not always followed, and accountability for remittances was not always maintained. ... and in August 2001, the Service’s Chief Postal Inspector cited the lack of training as a possible condition leading to the Postal Service’s remittance losses.”

United States Delegation Report, UPU Postal Operations Council, March 20 - April 7, 2006, Introduction, - “This report summarizes the results of the UPU Postal Operations Council (POC) held in Bern, Switzerland, from March 20 to April 7. Ambassador Dennise Mathieu, Director of the Office of Technical Specialized Agencies of the
Department of State's Bureau of International Organization Affairs led the U.S. delegation, which included Dennis Delehanty of the Department of State and U.S. Postal Rate Commissioner Ruth Goldway. U.S. Postal Service delegates included Senior Vice President for Intelligent Mail Charles Bravo; Chief Postal Inspector L.R. Heath, … The mainly private-sector Consultative Committee met on March 29 under the chairmanship of Charles Prescott of the Direct Marketing Association.

The National Postal Forum is a not-for-profit educational corporation established in 1968 by a group of major postal customers/mailers who were committed to an ongoing partnership with the USPS. The Mailers council is a coalition of corporations, nonprofit organizations, and major mailing associations. Collectively, the Council accounts for 70% of the nation’s mail volume.

National Postal forum (NPF) 12-14 April 2010. Exhibit space $39.95 per square foot. 4,000 mailing industry professionals will attend paying $900 each = $3,600,000 registration fees and Hotel rate of $199 for 4 nights for 4,000 attendees = $3,184,000. Key Topics Lead By USPS Management – “Chief Postal Inspector William R. Galligan will discuss the US Postal Inspection service and the resulting benefits to business customers…” “Receive a free USPS Priority Mail Flat Rate Box at participating exhibitor booths ... drop off your package for mailing at the USPS retail Booth located outside the entrance to Ryman Exhibit Hall C.”

Former USPS COO Clarence E. Lewis, Jr., sits on the Board of Directors for the National Postal Forum (NPF) with: Former USPS VP of Customer Information Management Cynthia L. Cooper, former USPS VP Michael S. Coughlin (Accenture/Postal Consultant), and former USPS BOG Susan E. Alvarado. Robert J. O’Brian is the Chairman of the National Postal Forum and is on the Board of Directors of the Mailers Council. Anne S. Moore CEO of Time Inc. is a member of the Mailing Industry CEO Council and the National Postal Forum.

Remarks by Postmaster General William J. Henderson at the National Postal Forum, 11 September 2000, - “...All of this is occurring while the Postal Service and the mailing industry stand together at the foot of a towering mountain representing three sobering trends. The first of these is consolidation within the mailing industry that is changing the structure of mail... Electronic billing and payments, nonetheless, are the second sobering trend...The third sobering trend we are facing is good old-fashioned competition... I say again that we are a wholly-owned government business and it is time to get down to business on reform.”

Trackmymail.com a division of Pitney Bowes was launch at the National Postal Forum in March, 2000. Trackmymail.com has helped customers track billions of mail pieces, and provides tracking services for companies in every business sector.

Mail Technical Advisory Committee workgroup Address Sequencing Service Enhancement Issue 52, 21 March 2000, Attendees: Mark Gundersen Advo, Grayson Poats USPS Law, Steven Goishi USPS Address Management. Minutes of Meeting – “The first work group meeting was held at the National Postal Forum in Nashville, TN on March 21, 2000... The main issue discussed was the security of processing customer files. It was agreed that the Postal Service would develop a seed process to prevent unauthorized requests from being processed. The current plan is to create one seed per ZIP Code per customer... There was discussion on whether the USPS can act as an agent to notify customers that an address list has been submitted for electronic qualification
with one of their seed addresses... would allow list owners to monitor illegal submissions.”

National Postal Forum in Boston, 25 September 2002, USPS Board of Governors S. David Fineman, - “...But I’ll tell you right now, if you people and others don’t have any backbone and stand with us as we begin to downsize the Postal Service, it will not happen... Stand with us, shoulder to shoulder as we start to move into the 21st Century.” Fineman chairs the governor’s strategic planning committee. American Postal Worker Jan/Feb 2003 issue page 20, - “The mailers and their CEO Council will likely heed Fineman’s call to arms because the projected savings from closings would be needed to offset the revenue the Postal Service will lose if their plans for postal rate-setting and corporate pricing become a reality... The Transformation Plan was developed with plenty of input from the mailing industry, but virtually none from its workforce or ordinary customers. As a result, it is a blueprint for keeping big mailers’ rates down, no matter the cost to postal workers or the American people.”

National Postal Forum (NPF) - 21 September 2004, “Extending the Value of Paper-Based Processes.” Panelist: Kenneth Yokum JP Morgan – “Annual Remittance Volume - $11.1 Trillion – 52% of first-Class - $29.5 Billion in Bills.” The National Postal Forum’s, September 2004, Exhibit Hall and Exhibitors were managed by the Renaissance Group. Top USPS Headquarters Facility Contract Awards for FY2001 #15 Renaissance Group - $5,000,000 and at #43 - $2,500,000. Kathleen J. Siviter is the president of Postal Consulting Services, Inc and for VP at The Renaissance Group. She worked in the Office of Classification and Rates at USPS Headquarters. She works for the Association for Postal Commerce (PostCom’s Lee Epstein Award), and the Mailers Technical Advisory Committee workgroup. Siviter also serves on the Steering Committee for Women in Logistics and Delivery Services (WILDS) founded by PRC Commissioner Ruth Goldway. WILDS had their first meeting in the PRC Headquarters, Washington, D.C. Renaissance Group, Ltd., rengroup.com, - “USPS Overview: A half-day interactive briefing... Financial Systems: ...Develop by a former Chief Financial Officer and Executive Vice President of the USPS, this briefing is essential to understanding the USPS. USPS Organizational Charts: Unavailable from any other known source, RenGroup provides clients with organization charts by postal department... RenGroup brings our clients valuable subject matter expert consultants ... many of whom have had direct management experience at senior levels within the USPS... RenGroup clients have been awarded over $8 Billion in new business revenue using RenGroup consultants who are former USPS or US federal government executives.”

1 May 2007, - “Charlie Bravo, the U.S. Postal Service's senior vice president of intelligent mail and address quality, announced here at the National Postal Forum that automation discounts for use of Intelligent Mail bar code - formerly called 4-State Customer Bar code - will be available for flats mail beginning May 1, 2007.” Charles Bravo is Senior Vice President, Intelligent Mail and Address Quality United States Postal Service and advisor at Montgomery Research, Inc. Paul Vogel, VP, Network Operations Management, United States Postal Service is an advisor at Montgomery Research, Inc. CFO of Montgomery Research, Inc. is Michael S. Coughlin. Michael S. Coughlin is the global postal value architect for Accenture. Prior to joining Accenture, he spent 32 years with the United States Postal Service, serving as chief financial officer, chief operating officer, deputy postmaster general, and a member of the USPS Board of Governors.
USPS Executives and the Mailing Industry - USPS 2010 Annual Report, - “The role of the Audit and Finance Committee is to assist the Board of Governors in fulfilling its fiduciary responsibilities. Committee members are selected by the Chairman of the Board. This year the Committee, whose current members include Governors Mickey D. Barnett and Thurgood Marshall, Jr., and me, met seven times. The Committee’s primary responsibility is oversight of the integrity of the Postal Service’s financial statements and the soundness of its accounting and internal control practices. The independent public accounting firm engaged to perform the annual audit of Postal Service financial statements, Ernst & Young LLP, reports to the Board through the Committee. The Postal Inspector General, who reports to the Governors, is represented at all Committee meetings. … In directing the conduct of the 2010 financial statement audit, the Committee met with Ernst & Young LLP, and approved the scope and materiality levels they established in their work plan. The Committee met jointly and independently with Chief Financial Officer Joseph Corbett and his staff, Ernst & Young LLP, Inspector General David Williams, and General Counsel Gibbons throughout the year to discuss the progress of the audit and to ensure independence and objectivity in all audit programs. As a result, the Committee recommended, and the Board approved, the financial statements for 2010.”

ComScore studies (Voice of the Employee) are used in Postal Service’s national advertising programs and corporate strategies. Former PMG William Henderson is the COO of Netflix and sits on the Board of Directors for ComScore and Quad Graphics. ComScore Chairman Gian M. Fulgoni served on the Board of YesMail.com and was named an Ernst & Young Entrepreneur of the Year.

“David E. Franasiak worked Williams & Jensen the lobbying firm for the Printing Industries of America, Director of Mail Moves America and Chairman at Ernst & Young …”

Direct Communications Group, Examination of Potential Postal Business Models, report for the USPS, by Alan Robinson, October 2009, Executive Summary – “In choosing a potential business model for the Postal Service, policymakers are as much choosing a path for the entire industry within which the Postal Service operates as choosing a path for the Postal Service itself. … Prior to starting the Direct Communications Group, Mr. Robinson was employed by Ernst & Young and provided services to Arthur D. Little, A.T. Kearney, Anderson Consulting (Accenture), and KPMG Peat Marwick.

Eric Andrews IBM VP Corporate Marketing is a member of the National Advertising Review Board with Andrew Farver VP Chase Bank, Natasha I. Householder Ernst & Young LLP and Alixe Johnson USPS Manager of Customer and Industry Marketing.

USA Today, 7 March 2010 – “Last Tuesday, Postmaster General John Potter outlined a rescue plan for the USPS … Chief Financial Officer Joseph Corbett put it frankly: ‘If we’re able to get increased flexibility from our union workforce … that starts to save substantial amounts.’ Once the Postal Service has reined in excess costs, policymakers should consider rolling back the postal monopoly and moving toward privatization – perhaps with employee ownership - … The consulting firm McKinsey & Company says it would be hard to attract a buyer, given the Postal Service’s financial commitments to
employees and retirees and its large debt, which officials warned will soon reach its $15 billion ceiling.”

USPS Fiscal Year 2010 Executive Officer Compensation – “…Column (d) the payment amounts listed for Mr. Corbett reflects a lump sum incentive compensation that was required to recruit and/or retain him. Any amounts that could not be paid to him due to the compensation cap were deferred for future payment. Pursuant to his contract with the Postal Service, Mr. Corbett was awarded a recruitment amount of $75,000; he was paid $50,000 of this award in FY09 and the remainder was deferred. Column (g) the amounts in this column reflect the performance-based incentive compensation awarded to executive officers. Mr. Potter’s non-equity incentive plan compensation was deferred for FY08 and FY10 due to the compensation cap and will be paid in ten annual installments after he leaves postal employment ($100,000 per year for ten years). Pursuant to his employment contract, Mr. Corbett’s non-equity incentive plan compensation includes $30,000 in deferred performance-based compensation for FY10.

USPS CFO Joseph Corbett began his career working for over a decade with Big Four Accounting Firm, KPMG, where he served as a senior member of their Commercial Practice Group. He has served as CFO of both Intelsat, which operates a satellite network, and BearingPoint, the consulting company spun off by KPMG. In a parallel to his Postal Service challenges, Corbett took over as Bearing Point’s CFO in 2005 at a tough time, when the company was going through accounting problems that eventually led him to conclude that it should recall and restate previously filed public financial statements. Intelsat is the leading provider of fixed satellite services (FSS) worldwide, delivering advanced transmission access for information and entertainment to many of the world’s leading media and network companies, multinational corporations, Internet service providers and governmental agencies. Intelsat also offers seamless service for voice, data and video transmission unmatched in the industry.

On March 23, 2009, - “BearingPoint announced on its website that it reached an agreement to sell a significant portion of its Public Services practice to Deloitte. It also signed a non-binding letter of intent to sell a substantial portion of its Commercial Services practice to PricewaterhouseCoopers (PwC). Unexplained irregularities in the financial history of BearingPoint (-$1.3 billion bankruptcy) include the failure to invest any significant portion of the IPO funds in the company.” IBM purchased Pricewaterhouse and created the IBM Center for Government [Contracts] who’s informational magazine cover has featured the picture Postmaster General and several other of Federal Agency Leader’s written articles.

Tango Management Consulting (TMC) LLC was founded in January 2008 by executives bailing out of Bearing Point’s pending bankruptcy. TMC staff: -- CEO Jack Thompson was formerly a Managing Director at Bearing Point, Practice Leader at Ernst & Young and Deloitte real estate consulting group. – VP Pranav Tyagi led the real estate practice at Bearing Point, Ernst & Young and Deloitte Consulting. VP Brad Biagini worked for Ernst & Young, Capgemini, and Bearing Point. -- SVP Waldeck was a Manager of Retail Financial Services at CB Richard Ellis and Accenture’s retail practice. -- VP Mark Zygmontowcz worked for Thompson Associates and MapInfo purchased by Pitney Bowes and is a member of the ICSC Research Advisory Task Force. — VP Leonard Bosman was a Senior Manager at Bearing Point. – VP David Stanton was a consultant Deloitte and Touche LLP and Bearing Point.
Washington Post Staff Writer Monday, August 29, 2005; 2:30 PM, - “A federal judge in New York this morning approved a deferred prosecution of accounting firm KPMG LLP, which admitted guilt to a single count of participating in a conspiracy to evade taxes. The pact allows the nation's fourth biggest accounting firm to avoid a potentially fatal indictment. At the same time, prosecutors unveiled a grand jury indictment of nine people -- including several former KPMG partners -- who allegedly helped wealthy clients create $1.4 billion in paper losses to avoid large tax bills during the economic boom. Attorney General Alberto R. Gonzales, U.S. Attorney for the Southern District of New York David N. Kelley, and Internal Revenue Service Commissioner Mark W. Everson are to appear at a press conference in the District this afternoon to provide details on the 18-month-old investigation. The agreement with KPMG -- the subject of a fierce, months-long battle between prosecutors and defense lawyers -- calls for the firm to pay $456 million and submit to stringent outside oversight through December 2006. The stigma of criminal charges could have sent many of the firm's 1,600 partners and 1,000 publicly-traded audit clients, including General Electric Co., USPS and Citigroup Inc., heading for the exits. A similar move by the government against accounting giant Arthur Andersen LLP in 2002 hastened its death spiral (moved to Bermuda and change its name to Accenture). In a detailed and lengthy statement of facts, KPMG admitted to developing and selling questionable tax deals to hundreds of wealthy clients from 1996 to 2002. The firm also refers to executives at the highest levels of KPMG's tax leadership who authorized them, although it does not name them. Ernst & Young LLP remains under grand jury investigation in New York for its role in the tax shelter scheme.”

Stamps - TORONTO, May 9, 1994, /PRNewswire/ -- “MDC Corporation ("MDC") of Toronto today announced the appointment of Anthony M. Frank, former Postmaster General of the United States, as Vice Chairman of the Board of Directors of its security printing subsidiary, Ashton-Potter (USA) Ltd. In January 1994, Ashton-Potter was awarded a five year US $126 million (Cdn $170 million) contract from the USPS, making it the largest private sector supplier of postage stamps in the U.S. and one of the world's largest stamp producers. Ashton-Potter plans to expand into other areas of security printing, including bank notes, share certificates, travelers cheques, lottery tickets, passports, state papers, coupons, money orders and other security printed products. Mr. Frank, of Belvedere, California, was Postmaster General of the United States from 1988 to 1992…”

TORONTO--(BUSINESS WIRE)--Feb. 26, 1998, - “MDC Communications Corporation of Toronto today announced that its wholly owned subsidiary Ashton Potter (U.S.A.) Ltd., of Williamsville, New York, has been awarded a postage stamp contract from the United States Postal Service ("USPS") with an estimated value of up to US$75 million (Cdn$105 million) over a 5 year period. The contract, which covers a 3 year term with two one year options with projects beginning immediately, is part of the largest stamp printing solicitation ever outsourced by the USPS. This is part of its ongoing program of developing private sector stamp production while still maintaining the U.S. government owned Bureau of Engraving & Printing as a supplier….”

18 February 1999, - “Santa Monica-based Stamps.com Inc., developer of a system that will allow clients to have a "mini-post office" inside their computer, is expected to
announce today that it has raised $30 million from a group of investors that includes Microsoft Corp. co-founder and billionaire Paul Allen. … The involvement of such high-profile investors as Allen, who has also been a major investor in the cable TV industry, and Bohnett is seen by Wall Street as an endorsement of Stamps.com. … Stamps.com got its early funding from three major Southern California-based venture capital firms: Enterprise Partners; Brentwood Venture Capital; and Forest, Binkley & Brown.”

CEO John Payne lead the development of the company's operating business and the company's $65 million IPO and a $365 million secondary offering co-managed by Goldman Sachs and Salomon Smith Barney.

Enterprise Partners was founded in 1985 and is one of the few venture firms that have consistently focused on investing in Southern California businesses. To date, we’ve helped build over 150 companies and we are currently investing our sixth fund. We are pleased to say that we have put over $1.1 billion to work for those companies. Directors: - Yrsa Nordlicht was an audit senior for Deloitte & Touche LLP; - Debbie Fritzer worked for Ernst & Young.

Founded in 1972, Brentwood Venture Capital has an extensive history of investing in leading middle-market growth companies. Partner William M. Barnum Jr. and Kevin R. Johnson worked for Morgan Stanley & Co.; - Steven W. Moore worked for Deloitte & Touche; - Toros Yeremyan worked for Credit Suisse; - Chris Reeki worked for Credit Suisse; - Sugar Shah worked for Citigroup; - Matthew M. Whelan worked for PricewatershouseCoopers; - Edward L. McCall worked at Goldman Sachs & Co.

Forrest Binkley & Brown (FBB) was established in 1993 as a private equity firm focused on investing in middle market buyouts and providing growth capital to companies that offer potential for a substantial increase in shareholder value and exceptional rates of return to investors. - Gregory J. Forrest Chairman and President of the BankAmerica; - Nicholas B. Binkley Vice Chairman and a member of the Board of Directors of BankAmerica; - Jeffrey J. Brown Senior Vice President of BankAmerica Venture Capital; - Joseph Galligan auditor for Arthur Anderson & Co.

Hearing of the Subcommittee on the USPS, February 23, 1995, - “… Mr. Runyon Question 9D. I understand that several former City Bank employees have been hired as consultants to the Postal Service after Mr. Loren Smith became Senior Vice President for Marketing. Mr. Smith is a former City Bank official. How many such consultants have been hired? Answer. … Five individuals/firms with whom Mr. Smith has had professional relationships in the past are presently under consulting contract with the Postal Service for varying business needs.”

Business Week, 22 December 1996, - “Selling a skeptical public on the superiority of the postal service is tougher than, say, marketing tartar-control toothpaste. The post office, after all, is about as popular as dentists’ offices. ‘We have a schizophrenic image,’ admits Loren Smith, the postal service’s chief marketing officer from 1994 to last November, who was brought in by Runyon to oversee the agency’s image refurbishment... According to a report in Business Week, a survey of 100 managers named the postal service the absolute worst in customer service of several dozen companies and agencies... But how does one reinvent the image of an agency that received 500,000 formal complaints in 1994? For starter, Smith spent $230 million in advertising last year, up from $95 million the year before.... Also, the postal service is promoting, yes, junk mail…”
“Our objective is to be the leading provider of convenient, cost effective and easy to use
software-based Internet postage services. … If we receive US Postal Service approval
for our service, we intend to offer promotional programs to build our brand recognition
and attract a customer base. For example, as a part of several distributor agreements, we
plan to provide a promotional offer that allows our distributors to offer a limited amount
of **free postage** to their customers who purchase a set amount of postage from our
Internet postage service. … In December 1998, we entered into a distribution and
marketing agreement with America Online that will require payments by us of $2.3
million through February 2000. … As of May 1999, we have entered into strategic
partnerships with AOL, Intuit and Office Depot, among others. … **Marvin Runyon has
been a Director** since February 1999. From 1992-1999, Mr. Runyon served as
**Postmaster General** of the United States. … **Loren E. Smith** has served as a Director
since February 1999. … From October 1994 to October 1996, he served as the Senior VP
and **Chief Marketing Officer of the USPS**. … In February 1999, **Loren Smith**, a
director, entered into a three-year consulting agreement with us... will receive consulting
fees of $120,000 per annum and an option to purchase 135,000 shares... **Loren E. Smith**
– 243,000 shares, **Marvin Runyon** – 114,831 shares, **Chase Venture Capital** – 2,185,792
shares...” --- MSN Fact Sheet, First Day Close Stamps.com - $13.06 * 114,831 Marvin
shares =  $1,499,692 for Marvin Runyon - why should the American Public pay for the
federal retirement of Postmasters when former government executives can make more
stealing public products and services from the Agency they use to work for??

18 U.S.C. Section 1832 Theft of Trade Secrets, - “Whoever, with intent to convert a
trade secret, that is related to or included in a product that is produced for or placed in
interstate or foreign commerce, to the economic benefit of anyone other that the owner
thereof, and intending or knowingly that the offense will, injure any owner of that trade
secret, knowingly – (1) steals, or without authorization appropriates, takes, carries away,
or conceals, or by fraud artifice, or deception obtains such information... (5A) conspires
with one or more other persons...”

USPS “Fly Like An Eagle Campaign” Overview: - “Even through the USPS was
made an independent agency in the 1970s, it was not until **Loren Smith** became the chief
of postal marketing for USPS in 1994 that the organization aggressively competed in the
private sector... Even though Smith resigned from USPS in 1996, his marketing prowess
remained. USPS released its ‘Fly Like an Eagle’ campaign two years later to further
elevate its stodgy image and publicize its products and services. The $15 million
television and print campaign was created by the New York branch of the advertising
agency Foote Cone & Belding... Larry Speakes, the USPS advertising manager, would
later criticize the campaign in a February 25, 2002, Advertising Age article, explaining
that it ‘didn’t test well, while the campaign can translate into a variety of more targeted
efforts.’ … Smith implemented a number of new programs and services, including the
marketing of postal paraphernalia, such as T-shirts and games, and the creation of phone
cards. … Smith also added new agencies to the marketing roster – the USPS’s longtime
primary agency, **Young & Rubicam**, was joined by **Foote Cone & Belding**, Chicago’s
**Draft Worldwide**, and **Frankel & Co.** … Smith, in fact, took $80 million allocated to
other marketing purposes and spent it on Priority Mail advertising in the mid-1990s
without the approval or permission of the Postal Service Board of Governors. By 1996
Smith had exceeded the USPS’s annual advertising budget by 62 percent, spending $87 million more than the allotted $140 million. As a result he left the agency in late 1996.”

OIG Report Number CA-LA-00-002, 28 July 2000, - “This letter advisory report presents the results of our review of a hotline allegation and congressional inquiry concerning allegations that United States Postal Service (Postal Service) improperly influenced consultants to leave their company and work for the Postal Services or other Postal Service vendors (Project Number 00HR003CA000). … We determined that two of the complainant’s former consultants were appointed to career positions within the Postal Service. In addition, two consultants provided services to the Postal Service through other contractors…”

President’s Commission on the United States Postal Service Statement of Patrick R. Donahoe, February 20, 2003, - “Our business can be divided into three segments: First, the work we do ourselves; second, the work we outsource; and, third, the work our customers do through worksharing. … Last year alone, we spent more than 7 billion dollars for work performed by our partners in the private sector. … The best example of strategic outsourcing is the method we use to fulfill our transportation requirements. The acquisition of transportation assets would require massive capital investments on the part of the U.S. Postal Service—investments that our customers would have to pay for. We avoid using our scarce capital this way by relying on outsourcing to meet our network requirements. … And our outsourced highway network is actually twice as large as our air network. Each year, we do over two billion dollars worth of business with more than 17,000 highway transportation suppliers. … The Postal Service sells stamps and provides other services at almost 5,000 contract postal units around the nation. For example, we have partnered with Woods Forest National Bank, at its Wal-Mart and Kroger locations in Texas. We also offer alternative access at almost 17,000 ATM locations nationwide. Our partners include Wells Fargo, Fleet Bank, and U.S. Bank. And companies such as Pitney-Bowes and Stamps.com help us increase customer access by offering electronic postage through their web sites. Another example of our partnering with the private sector is our decision to outsource research and development of the technology that has made our efficiency and productivity improvements possible. We are a delivery company, not a technology company…”

USPS Retail Digest, April 6, 2007, - “Efforts continue to closeout the remaining local Stamp Consignment Agreements. Effective April 28, 2007, AIC 095 (Consignment Replenishment Sales) will be deactivated…”

19 October 2009, - “The Postal Service notified NAPUS President Dale Goff that they will be consolidating its supply chain configuration in order to reduce the total cost of distribution and fulfillment for the Accountable Paper Network. The USPS plans to consolidate and close 65 Stamp Distribution Offices (SDO’s) and the five Accountable Paper Depositories (APD’s). The Postal Service will now consolidate the network into six Stamp Distribution Centers (SDC’s). President Dale Goff voiced NAPUS concerns in a letter to the Postal Service on October 15th which included: “What about emergency orders; time frame for receipt orders; scheduling for ordering; and response to customers when we can’t get the special orders or just normal inventory.” These same issues have been brought forward in previous consultative sessions…”

--- Note --- 10 billion stamps * 44 Cents = $4,400,000,000 annually. USPS Postal

-- Stamp Distribution Centers (SDC), OIG Report Number MS-MA-09-002, 12 January 2009, - “This report presents the results of our self-initiated review of the Postal Service’s Stamp Distribution Operations (Project Number 09RG001MS000). … We determine the optimum number and locations of facilities necessary to efficiently manage the Postal Service’s accountable paper fulfillment operations. The study recommended that the Postal Service consolidate its accountable paper fulfillment network from 155 to 12 locations…” 65 SDCs were closed in 2009.

--- The Postal Service gave millions of dollars to the foreign based MDC Corporation (MDC) of Toronto for printing U.S. stamps. They used the money to buy new German Printing Presses so they could receive even more U.S. Postal Service stamp contracts. The U.S. Government/Public owned Bureau of Engraving & Printing was denied revenue from the Postal Service did not buy new equipment and layoff federal workers. Then retired PMG Frank took a director’s job with MDC Corp. The Postal Service closed and sold 65 Stamp Distribution Offices (SDO’s), five Accountable Paper Depositories (APD’s) built with Public Funds and threw 30,000 Stamp Vending Machines purchased with Public Funds in to the garbage. Those stamp vending use to account for 60% of the distribution of the Dollar Coin and Congress just recently cancelled the Dollar Coin program. Then Postmaster than gave stamp distribution and sales to Stamps.com, NeoPost, and Pitney Bowes Indicia computer based stamps. Then retired PMG Runyon and PMG Henderson both took a million-dollar-a-year Director’s job with Stamps.com. So in doing so the Postal Service is accountable for loss thousands of federal jobs (Bureau of Engraving and U.S. Mint) and giving those jobs (paid by the American Public) to a private company and foreign contractors at a high cost.

Mailing Industry conferences paid for by Public funds - Office of Government Ethics, Report Number 06-004, 22 February 2006, - “The Office of Government Ethics (OGE) has completed its review of the United States Postal Service’s ethics program within USPS headquarters… We found serious deficiencies I the administration of the confidential financial disclosure system within some headquarters components. Most importantly, a significant number of confidential financial disclosure reports are not being reviewed or reviewed adequately for conflicts of interest. We are also concerned that there is no process in place to accurately track the number of days Special Government Employees (SGE) serve. Additionally, we believe that guidance provided to employees regarding Widely Attended Gatherings (WAG) was not adequate… We interviewed ethics officials from 6 of 25 headquarters components. According to them, their ethics responsibilities are not clearly, if at all, included in their position descriptions. Further, their performance appraisals do not typically include a significant discussion of their ethics-related activities. As discussed below, we consider this to be a potentially contribution factor to the most serious deficiencies identified during our review… These failures leave USPS and its employees vulnerable to the consequences of real or
apparent conflicts of interest. They also subvert the purpose, usefulness, and regulatory requirements of the confidential system and must be addressed immediately … In all six Reports of Investigations concerning allegations of ethics violations documented that thorough investigations were carried out. They recorded numerous interviews and the collection of other evidence (contracts, e-mail, correspondence, etc.). The two RIs involving criminal violations resulted in referrals to DOJ. The case involving 18 U.S.C. section 207 was referred to the local U.S. Attorney on April 28, 2003 who declined to prosecute because it was determined the case lacked prosecutorial merit…. Another case, involving an alleged violation of 18 U.S.C. section 201, was referred on October 24, 2003, but declined for prosecution because the local U.S. Attorney found that it ‘lacked the prosecutorial appeal and the financial threshold of his office.’ … The remaining RI involved multiple parties and was redacted in a way which made it difficult to determine what specific violations were alleged against which parties… financial disclosure report filers who accept gift of free attendance at WAGs disclose those gifts on their reports …“

OIG Report Number HM-MA-09-001, August 24, 2009, SUBJECT: Management Advisory – Suspension of Postmaster Convention Leave Benefit, - “...The Postal Service acted within the provisions of Section 1004 when it suspended the postmaster convention leave benefit. The agency followed the processes outlined by law and its decision was prudent and supported by the agency’s serious economic situation. The estimated cost of $14 million since fiscal year (FY) 2006 for convention leave was also supported. There is, however, an inherent conflict in some provisions of the law as evidenced by the plain reading of the text and the different interpretations by the Postal Service and the two postmaster organizations. ... The Vice President, Labor Relations, told us that only 10 to 15 percent of the agency’s postmasters used convention leave. He said that to his knowledge no significant changes to postmaster pay or benefits outside of the 4-year agreement have ever occurred. He added, however, that the Postal Service has never been in the serious financial condition it is in today and paying postmasters to attend conventions would not be prudent.”

OIG Report FF-AR-10-025, “Imprudent Purchases and Management Instruction on Expenses for Internal and External Events,” 3 December 2009, - “...Based on our review of judgmentally selected transaction, we identified over $792,000 in purchases that were not made in accordance with Postal Service policy and over $54,000 in imprudent purchases... We recognize that as an ongoing business enterprise, the Postal Service must be able to host events and meetings ... In our previous report, Fiscal Year 2009 Imprudent Spending Using the SmartPay purchase Card, we reported that employees made, and were continuing to make, imprudent and unnecessary purchases during a time of severe economic uncertainty in the Postal Service... (FT-AR-07-014, 29 September 2007, - “internal controls over the SmartPay purchase Card use for Postal Service Officers were generally adequate...” CA-AR-08-002, 8 November 2007, - “Cardholders improperly split purchases to avoid the $10,000 per transaction spending limit.”) ... We selected APEX transactions for meetings and conferences greater than $10,000 for the time period of October 2008 through February 2009, (Footnote 14: There were a total of 531,463 transactions processed during the specified period, with a value of $177,482,564)...”
--- So $1.7 million reviewed out of $177,482,564 in purchases for 5 months = 0.096% of purchases reviewed.  $792,000 in imprudent purchases out of $1.7 million = 47%.

47% of $177,482,564 = $83,416,805 divided by 5 months = $16,683,361 per month in “imprudent purchases”.  $177,482,564 divided by 5 months = $35,496,512 per month times 12 = $425,958,153 per year for Internal and External Events like the National Postal Forum paid for by the full-rate paying American Public!

**Public Accounting Firm and External Auditor**

USPS Business Mail Acceptance Newsletter, 6 March 2008, -“**Ernst & Young** is an external auditor contracted by the USPS to test & report on the procedures that Business Mail Acceptance (BMA) has in place to ensure that we are handling our financial activities responsibly and accurately...”

The independent public accounting firm engaged to perform the annual audit of Postal Service financial statements, Ernst & Young LLP also runs the Postal Service’s Financial Department under contract.  See USPS Chief Financial Officer Joseph Corbett and his staff, Ernst & Young LLP.  InfluenceExplorer.com shows that TRW Inc. acquired by Northrop Grumman in 2002 paid LegisLaw $160,000 and **Ernst & Young** $90,000 to lobby Congress.  Government Properties Income Trust’s independent auditor is **Ernst & Young** LLP.

**Ernst & Young LLP** -  In July 2002 the Postal Service Board of Governors announced the selection of **Ernst & Young** LLP as their independent auditor.  The competitively awarded five-year contract had an estimated value of **$11.6 million**.

USPS National Statistical Programs Training, August 2003, **Ernst & Young** Audit of FY2002 CRA, - “...The statistical program office is located in an open office area with other finance functional units.  The entry doors are not secured, so many people in the general mail facility have access to it.  We recommend that management reiterate the importance of computer security and take steps to improve security.”

2005 Human Resource Leadership Award Winners:  Lee Karbowski Northup Grumman, Steven W. Monteith USPS, and Patti Yoder **Ernst & Young**.

Ernst & Young LLP received **$3,065,503**, in 2006 from USPS and at the same time is the independent auditor for Federal Express Corporation.


OIG report FT-AR-09-003, Postal Service Board of Governors Travel, 21 November 2008 – “Last year, we reported that management did not always comply with Postal Service policies...  At the request of the independent public accountant, **Ernst & Young**, LLP, we also reviewed all governors’ professional fees...”

USPS FY 2009 Spend by Supplier #21 **Ernst & Young** $7,179,183 and #56 Ernst & Young LLP **$650,359**.

USPS 2009 Annual Report page 20 – “The certified public accounting firm responsible for the independent audit of Postal Service financial statements, **Ernst & Young LLP**...”

...page 60 – **Ernst & Young LLP** – “These financial statements are the responsibility of the USPS’s management.  Our responsibility is to express an opinion on these financial statements based on our audits.”  -- Since when is a, standard accounting “audit”, a standard accounting “opinion”?

The USPS 2009 Annual Report, audited by **Ernst & Young LLP**., on page 38 shows
8,419 owned, 24,516 leased and 329 other properties for **33,264** total facilities and 36,496 total Processing, Retail and Delivery Facilities (page 80 3,037 Contract Postal Units).
The USPS Mailing List of Active Facilities shows **33,229** facility addresses. OIG Report IS-AR-06-006, Data Input Validation for the Facility Database, - “... **32,463 facilities**...
As of April 2004, the Postal Service owned 8,771 facilities and leased 28,337 facilities...”

National Advertising Review Board members include: Eric Andrews, VP IBM, Andrew Farver Chase Bank, Amy Fuller MasterCard, Natasha I. Householder Ernst & Young LLP, and Alixe Johnson USPS.

Direct Communications Group, Examination of Potential Postal Business Models, report for the USPS, by Alan Robinson, October 2009, Executive Summary – “In choosing a potential business model for the Postal Service, policymakers are as much choosing a path for the entire industry within which the Postal Service operates as choosing a path for the Postal Service itself. ... Prior to starting the Direct Communications Group, Mr. Robinson was employed by Ernst & Young and provided services to Arthur D. Little, A.T. Kearney, Anderson Consulting, and KPMG Peat Marwick. ... Conclusion: ... the best solutions would involve preparing the Postal Service to operate as a government corporation, working under private sector law.”
Presented to the Postal Regulatory Commission, 20 November 2009.

USPS 2010 Annual Report, - “The role of the Audit and Finance Committee is to assist the Board of Governors in fulfilling its fiduciary responsibilities. Committee members are selected by the Chairman of the Board. This year the Committee, whose current members include Governors Mickey D. Barnett and Thurgood Marshall, Jr., and me, met seven times. The Committee’s primary responsibility is oversight of the integrity of the Postal Service’s financial statements and the soundness of its accounting and internal control practices. The independent public accounting firm engaged to perform the annual audit of Postal Service financial statements, Ernst & Young LLP, reports to the Board through the Committee. The Postal Inspector General, who reports to the Governors, is represented at all Committee meetings. ... In directing the conduct of the 2010 financial statement audit, the Committee met with Ernst & Young LLP, and approved the scope and materiality levels they established in their work plan. The Committee met jointly and independently with Chief Financial Officer Corbett and his staff, Ernst & Young LLP, Inspector General David Williams, and General Counsel Gibbons throughout the year to discuss the progress of the audit and to ensure independence and objectivity in all audit programs. As a result, the Committee recommended, and the Board approved, the financial statements for 2010.”

Seattle Times Editorial, 13 March 2010, - “The collapse of Lehmen Brothers in 2008 involved business decisions that were deeply unethical... In a television interview Brad Hintz, who was chief financial officer at Lehman in the 1990s, referred to Lehman’s accounting tricks as ‘shenanigans’... When it is a Wall Street investment bank hiding a $50 billion problem from people who need to know about it, it is more than a shenanigan. Probably it is a crime, and if it is not, it should be... Ernst & Young gave Lehman’s last audited statements, of Nov. 30, 2007, a public thumbs-up. And now special examiner says, Lehman ‘reverse-engineereed’ the firm’s financial ratio ‘for public consumption.’ That means they falsified them.”

Area Marketing Review – SARBANES-OXLEY (SOX) and the Postal Service, shows that Ernst & Young are external auditors retained by the Board of Governors to perform
audit of financial statements and “determines if our financial statements are free of material misstatements.”

--- Note --- The review shows that Ernst & Young relies on the OIG field work (audits) of 105 randomly selected Post Offices and 101 randomly selected Business Mail Expectance Units (BMEU). Why is the independent OIG conducting audits and reviews for Ernst & Young? Ernst & Young is contracted to find possible material misstatement of the Postal Service’s financial statements. Looking at any Postal Service financial statements it is easy to find misstatements or the lack of statements about the $39 billion a year in Contracts, $20 billion a year in Discounts, $70 billion in Public Revenue, 30,000 Public Trust Facilities and billions of Public Trust dollars more in invested in Equipment like the $109 million in revenue producing stamp vending machines dropped-off—the-books!

Convergys Independent Director, Barry Rosenstein, is a former Merrill Lynch banker and CEO of Jana Partners that manages more than $2.5 billion. Jana Partners own a 5 percent stake of TNT Dutch Mail and Logistics Group. Jana Partners own 31.9% of Convergys. Ernst & Young LLP is the independent public accounting firm for Convergys. FedEx Express Corporation 2001 Annual Report was created by Arthur Anderson (Accenture) and their 2009 Annual Report was certified by Ernst & Young. USPS 2009 Supplier Spend List - #21 Ernst & Young $ 7,179,183.73 - #98 KPMG LLC $137,136.00 - #126 Deloitte Financial Advisory Services LLP $37,396.00

Convergys - was awarded a contract in 2003 to provide the Postal Service with “customer support”. “Convergys will use its relationship management software portfolio, answer the Postal Service’s toll-free number and provide analytics for a customer intelligence program.”

USPS Commodity Strategy Overview, 5 April 2004, #5 Convergys Contact Centers $15 million. – “5 Point SCM Plan – Routing of Pitney Bowes Expedited Mail Supply Order Call to Convergys.”

USPS SOP Manual, Stamps by Mail Centralized Sites, 31 January 2008, 2.5

Convergys/Call Center, - “Convergys is the contractor responsible for operating the 1800STAMP24 call center. Convergys reps are responsible for: - Handling customer service requests - Providing customer order status.”

USPS PPCS CMC Supplier FY 2009 Spend, Convergys - $81,688,032.80. (57 million calls divided by $81 million = $1.42 per call) USPS Western Area Update, Spring 2010, Customers have Our Number, - “More than 57 million customers picked up the phone last year ... ‘As postal operations go more complex, our research also found that local offices weren’t always able to give the most accurate information,’ Manager Don Nichols said. It became increasingly difficult to train postal employees all across the country, on everything, at the same time, and expect it to be interpreted the same way every where’ ... The call centers are managed by Convergys’s Corporation, outsourced USPS vendor since 2003. Convergys’s USPS operations are handled out of centers in Denver CO, Orem UT, and Jacksonville, NC. Additionally, Convergys manages a USPS internet customer car center out of Columbia, MD, that provides technical support for usps.com and web tools... The total staff at all the call centers fluctuates with the call volume and currently numbers around 1,000 agents.”

--- Note --- A total of 1,000 contract employees for $81.7 million a year is $81,700 per contract employee. The money could be used to train Postal Employees who are disabled
or limited duty and the extra cost of four non-revenue producing facilities could have been spent on Post Offices. Title VI – General Provisions section 633 Prohibition of Federal Agency Monitoring of Individuals, - “(1) to collect, review, or create any aggregation of data, derived from any means, that includes any personally identifiable information ...” Federal Agencies by law cannot collect data (personal) on individuals who contact (Change of Address) a Federal Agency that is the job of the Census Department.

USPS VP Award Recognition Quarter 1, FY09 Approved Recipients, - “Summary: In support of addressing Ernst and Young and OIG findings, Supply Management and Finance partnered to re-design the Semi-Annual Capital Property Record Review process. The major components were closing the gaps with controls in the delivery of capital property sample and the collection of the results from Field and Headquarters units. The team brainstormed on the As-Is and To-Be capital property process flow to identify areas for improvement…”

Business Wire, 16 October 2006, - How do the Big 4 Firms Rank in the Fortune 500? - “Accenture 2005 revenue $17.1 billion, profit $940 million rank 379; PricewaterhouseCoopers 2005 revenue $20.2 billion, rank 321; Deloitte and Touche 2006 revenue $20 billion, rank 323; Ernst & Young 2006 revenue $18.4 billion, rank 352; KPMG 2005 revenue $15.7 billion, rank 430; CapGemini 2006 revenue $9.8 billion; and BearingPoint 2005 revenue $3.6 billion.” Total: $104.8 billion.

Post Offices - Executive Order 11672, 6 June 1972, 37 F.R. 11455, Title 39 section 2002, conferred to the GSA and the Director of OMB that property transferred to the Postal Service at fair market value “unless a different basis of valuation is more equitable or better serves the public interest.” 30,000+ mostly Post Offices that were federally funded (Public Money) and built properties (Public Investment). The Postal Service use to list the amount each year in its Annual Report - $3.034 billion. See U.S. Postal Service, Annual Report, 2006, op. cit., p. 60. With the 2006 Postal Accountability Act the Postal Service dropped it from its Annual Report and placed it in the off-the-books PRC ledger.

Federal Property and Administrative Services Act of 1949 section 3 (40 U.S.C. 472) Definitions, (e), - “The term ‘excess property’ means any property under the control of any Federal agency which is not required for its needs and discharge of its responsibilities, as determined by the head thereof.”

GAO report GAO/PLRD-82-79 (1979) found that “leasing as is should only be allowed in unusual situations and should be supported by a written determination”. Section 204 (40 U.S.C. 485) Proceeds from transfer or Disposition of Property (a), - “All proceeds under this title from any transfer of excess property to a Federal agency for its use, or from any sale, lease, or other disposition of surplus property, shall be covered into the Treasury as miscellaneous receipts ...”

Testimony of Ruth Goldway, February 3, 2003, - “... To make the Postal Service truly efficient, it eventually needs to lose its monopoly protections and be privatized. ... Privatization also is a means for the U.S. Government to recover the assets it gave away for free in 1970 to the current postal corporate entity. In a sense, those assets have been parked in escrow while the USPS has been given free use of them. ... For example, while there are 38,000 post offices, ... The last draft postal legislation circulated by the House Committee on Government Reform in 2002 basically threw up its hands and said: “Let the regulator figure it out.” The difficulties that have occurred in constructing an acceptable regulatory approach over a half man, half horse agency suggests that we need
to severely limit the life of any GSE corporate structure as we move towards privatization and demonopolization. … **Truthful information** is a powerful source of marketplace competition. Truth-in-advertising accountability would require USPS management to be more responsive to the public’s need for accurate information. … This Commission also needs to examine whether the real estate management and acquisitions operations of the Postal Service should be privatized or contracted out so that **cash from the increased value of long-held properties could be generated** or lease revenues maximized.”

PRC Docket No.N2009-1, December 2009, The USPS Brief on page 3 stated there are **“27,200 Post Offices”**. On page 15 – “These alternate access channels now account for over a quarter of annual retail postal revenue. have created a perfect storm of fiscal pressures on the Postal Service.” On page 21 – “... rounds of public comment on whether the Postal Service should terminate agreements negotiated with private parties to operate contract postal units (CPUs), since the general public is also likely to be indifferent to the fact that CPUs are not Post Offices.” On page 24 – “His recommendation at page 14 of APWU-T-1 that the Postal Service examine demographic data ‘to identify customers who may be unusually disadvantage by the closing of ... (a) facility’ ignores the fact that the Postal Service already relies on U.S. Census data and local official’s own knowledge for that very purpose.”

USPS Business Environment Basement Chapter 5, Retail Industry Changes, - “Since about 9 million customers enter postal Lobbies each day and generate about **$17 billion** in revenue annually.”

MergerNetworks.com – “**Established Retail Postal Service for Sale** – Riverside California – BFS-186910 - less than $100 Thousand - Just as strong as the best franchise, without any franchise fees! Excellent postal service store in Riverside County – high daily traffic count in an established commercial retail mall. Includes complete Business & Personal Service, Customer Packaging, Legal Documents, Notary Service, mail Box Rental, Money Gram Orders, Passport ID Photos, Wire Transfer, Etc. Stable business from existing postal customers. Very stable monthly income with lots of room to grow! ... BFS-189875 – **Postal Annex Franchise for sale** in a very affluent pocket of North San Diego ... BFS-189545 - Turn-key postal franchise with high notary and mailbox income... BFS-188084 – After 14 years in business this high volume postal store ... This franchise is currently run absentee ... BFS189894 – Excellent established Postnet franchise in very busy mall... BFS-184720 Automotive Repair Shop - ... They have fleet contracts with the U.S. Postal Service... BFS-180605 Direct Mail Service ...best mailing rates that postal regulations allow... BFS-176053 Well Located Dry Cleaners  ... location also has established U.S. Postal Services...


Democratherald.com, 30 September 2009, - “An auditor with the USPS is checking in part into why the Albany Post Office continues to pay **$10,000 a month to store old storing equipment** in a building it leases on Ferry Street. The Postal Service has been leasing the building at 2995 Ferry St. S.W. for about nine years.”

GAO report GAO-08-41, - “To address the challenge of capturing and maintaining accurate facility management data, the Postal Service developed the Facility Database, but the database does not conform to the Postal Service’s goals or to leading federal practices; specifically, it does not include data needed to measure performance or managing facilities or have the capacity to track such data over time. Further, a database analysis by GAO revealed data reliability problems... A 2005 contractor assessment of
651 randomly selected postal facilities revealed that **two-thirds of these facilities were in less than ‘acceptable’ condition**, including 22 percent that were rated in ‘poor’ condition. However, the Postal Service does not know the magnitude of its maintenance challenge... However, the Postal Service has not adopted leading federal practices by systematically incorporating facility management performance measures... Specifically, our analysis shows that many counties with at least one urban center with a population of at least 10,000 people have **far fewer or far more postal retail facilities** that the average for comparable counties...

GAO: Transition 2009, Owning Property As An Alternative to Costly Leasing by Mark Goldstein, Director, Physical infrastructure – “Although ownership through construction is often the least-expensive option over the long term to meet agency building space needs, federal budget scorekeeping rules require the full cost of construction to be recorded upfront in the budget, whereas only the annual lease payments plus cancellation costs need to be recorded for operating leases, making them ‘look cheaper’ in any year even though they generally are more costly over time…”

--- No body saw the “storm” coming? Does the Postal Service really think that the public is “indifferent” to the Service it pays for and receives? Of the 27,000+/- Post Offices the Postal Service has identified 18,000 low revenue producing Post Offices (don’t cover their lease) to be considered for closing that would not be closed if owned. The Postal Service has such a poor facility database that it does not know how many facilities there are and hides how many contractor facilities the American Public is paying for double (again). The Postal Service reports it has between 33,000 and 38,000 facilities. None of the contractor run 80 Air Mail Facilities (AMF) or 23 contractor run Equipment Transport Service Centers (METSC) are on the new list issued by the Postal Service listing the Processing Centers to be closed. Nor are the 850 “Mailer Plants” that have been created to process 52% of the junk mail using the $18 billion of the American Public’s money in workshare discounts per year to fund these private facilities. Of these the Postal Service leases 27,000+ facilities and has 27,000+/- Post Offices leaving 6,000 to 10,000 non-revenue producing leased facilities like warehouses that should be closed before Post Offices.

**Processing Facilities** - USPS Operations Concepts Document, John E. Potter, 3 January 2000, - 2 FACILITY TYPES and DESCRIPTIONS, - “The information contained in this section defines the facility types as either “Processing and Distribution” or “Customer Services”. The intent is to standardize the naming of facilities and to clearly differentiate the role that each serves as part of our operational framework. The definitions and descriptions that follow provide information to categorize each facility type according to its primary processing function. This information also serves as the guideline when developing Facility Planning Concepts and/or Decision Analysis Reports for new facilities or building expansions… Processing and Distribution facilities process mail to the Automated Area Distribution Center, Area Distribution Center, Sectional Center Facility (3 digit), the five digit, and/or carrier route (including Delivery Point Sequence) level. The core function of the P&DC and P&DF Facilities is to serve as primary processing centers, transfer points, and transportation hubs…”

The USPS Announcements, 15 September 2011, “Radical Network Realignment and Mail Processing Facility Study, Media Kit shows that First-Class Mail is projected to drop from 2006 - 98 billion pieces to - 39 billion in 2020 (39.7%) and Standard Mail
drops from 2006 - 103 billion pieces to - 86 billion in 2020 (16.6%) (28.1% total drop in volume from 2006-2020). --- 673 processing facilities in 2006 and 487 in 2011 = 27.7% of processing facilities have been already closed with “fewer than 200” by 2013 = 200/673= 70.3% of processing facilities to be closed by 2020 and with the Postal Service having 28.1% loss of mail volume. (Note - USPS Media Kit = USPS Propaganda Kit.)

The Postmaster General said that the Postal Service would follow all legal and regulatory rules in closing the Processing Facilities. However, he did not say that the Postal Service had failed to follow any statutory or regulatory rules in closing down the 186 Processing Facilities or the thousands of Post Offices it has closed since 2006. The Postal Service in closing the Seattle SeaTac Airport 24/7 Post Office (PO) and the Air Mail Center (AMC) did not follow any of the rules in Handbook PO-101, Retail Optimization Plan or the PO-408, Area Mail Processing Plan.

GAO report 07-717, Mail Processing Realignment Efforts Under Way Need Better Integration and Explanation, June 2007, - “While USPS has made progress in implementing its realignment initiatives, it is not apparent if these initiatives will meet USPS network realignment goals. First, realignment goals do not have measurable targets, making it unclear how USPS initiatives are progressing toward these goals. Second, there is limited clarity in how the costs and benefits of each initiative are integrated or affected by each other. Third, significant issues still need to be resolved with the area mail processing consolidation initiative... Increases in the use of worksharing have resulted in a large volume of mail bypassing most of USPS’s processing network, creating excess capacity on the equipment USPS uses to process mail... First, USPS’s realignment goals have evolved over time and do not have targets for measuring USPS’s progress, making it unclear how USPS is progressing in achieving these goals. Second, it is unclear how USPS’s realignment initiatives are integrated with each other... Third, significant issues still need to be resolved with the initiative to which USPS attributes most of its progress in reducing excess machine capacity, AMP consolidations.... USPS does not use consistent data calculations when determining impacts and costs... it is uncertain whether USPS is identifying the best possible opportunities ... USPS does not have a comprehensive mechanism for measuring mail delivery performance...”

GAO report 09-696, USPS: Mail Delivery Efficiency has improved, but Additional Actions Needed to Achieve Further Gains, 15 July 2009. - “...USPS was taking actions to correct issues, including replacing managers, allocating additional resources, and providing training. Although taken actions improve delivery efficiency, the agency has to measure the actions. Flat Sequencing System – this cornerstone effort is a $1.5 billion investment in sorting flat mail... The future savings, however, by USPS’s lack of specific cost-saving targets and results for most of these actions (USPS officials said it is difficult to isolate the results of actions). Recommendation: The Postmaster General should establish cost-saving targets and track results of major USPS initiatives to improve delivery efficiency…”

R B Matheson Postal Service Inc., was awarded sixteen Terminal Handling Services (THS) contracts at Air Mail Facilities (AMF) (80 total THS AMF contracts worth $45,074,269 per year). The SeaTac AMC land (USPS owns the building now sitting empty) was leased by USPS in 1975 for 55 years from SeaTac Port Authority for $1.02sqft that expires in 2030. The building the THS contractor is in is owned by the
SeaTac Port Authority who has a tenant contract with Transiplex International who subleased to Air Cargo International who subleased to USPS who subleased to Matheson for $16.55sqft and the other THS building leases for $22.67sqft. Most the USPS material handling and mail process equipment was moved from the AMC to the contractor’s AMF for their use. Saving money with four leases with four commissions on two buildings?

In the summer of 2009 I was ordered via Seattle Processing & Distribution Center (P&D) Manager Don Jacobus (the Manager responsible for the closure of the SeaTac AMC without the required PO-408 AMP Plan or any written delegation of authority) to trash two million dollar Flat Sorter Machine (FSM) 1000s in a dumpster for recycling as part of the closure of the SeaTac Air Mail Center (AMC) and outsourcing of the work to Mathison Inc. When I ask why he said that “no one wanted them”. When I refused and told him it was criminal to trash over a million dollars of Capital Equipment he found someone else to do it. I called the OIG 1-800 hotline and they said they would look into it and then did nothing. This is how the Postal Service is reducing excess process capacity from the damage worksharing agreements are doing to the infrastructure of this Federal Agency.

Postal Regulatory Commission, Complaint of Lance McDermott, Docket No. C2010-2, Accepted 20 May 2010, Motion of the USPS to Dismiss Complaint, 20 May 2010, Page 3, footnote 2, - “In addition to the Seattle-Queen Anne Station, the Complaint also makes mention of the SeaTac Air Mail Center, the Olympia Processing and Distribution Center, the Tacoma Processing and Distribution Center, a retail postal location in downtown Seattle, the Edmonds Post Office, The Covington Post Office, and the Mail Transportation Equipment Center in Auburn. The appeal provisions of section 404(d) are inapplicable to these facilities... The Postal Service asserts that a fair reading of the Complaint is the facts concerning these additional facilities are provided as additional evidence to support allegations that the Postal Service is not providing due process or following its procedures ...” Page 5, - “The facts alleged in the Complaint and the attachments demonstrate that if Mr. McDermott’s Complaint is construed to be an appeal against the determination to close the Seattle-Queen Anne Station, or any other facility mentioned in the Complaint, it is premature or unfounded. Therefore, the Complaint should be dismissed.” Page 8, - “Mr. McDermott’s bald assertion that he wrote to the General Counsel fails to meet the purpose of the rule, which is to put the Postal Service on notice that a complaint may be forthcoming and to provide the possibility of resolving the matter without the need for a formal complaint filing.” - Anthony F. Alverno, Chief Counsel, USPS Global Business.

OIG Report Number EN-AR-08-002, 29 February 2008, - “This report presents the results of our audit of the outsourcing of some operations at the St. Louis Airport Mail Center (AMC) (Project Number 07XG029EN000). … The Postal Service did have established guidelines which provide general procedures to assist management when evaluating a proposed outsourcing initiative. However, headquarters management’s input on lessons learned and best practices did not include specific guidance on how to outsource or close a facility…”

The USPS List of Processing Facilities to Be Studied - September 2011, shows 252 Processing Facilities being considered to be closed. 135 Facilities are not on the USPS FOIA Reading Room’s database of Lease and Owned Facilities. The USPS Netwrok
Operations Home - Processing Operations - Center & Facilities - P&DC Directory shows 180 P&DCs and 80 P&DFs for 260 Total Processing Facilities. 106 Processing Facilities are owned and 11 are leased (89% owned). The -- 89 CSMPCs being studied are not on the USPS FACT SHEET of Processing Facility Type and the USPS database does not show what the acronym CSMPC stands for. Also -- 18 Annex Facilities, -- 12 Destination Drop Units (DDUs) and -- 1 DMDU and 80 P&DF are not listed on the USPS FACT SHEET of Processing Facility Type. USPS Operations Concepts Document, John E. Potter, 3 January 2000, - “… Customer Service Network Processing Facilities’ (CSNPFs) core function is to serve as a processing center for outgoing mail processing. … A Delivery Distribution Unit (DDU) is a customer service unit that processes mail for one or multiple ZIP Codes within its own Associate Office.”

Not on the Processing Facilities Study List:
- DBMC - Destination Bulk Mail Centers
- DADC - Destination Area Distribution Centers
- DSCF - Destination Sectional Center Facilities
- DNDC - Destination Network Distribution Centers
- AADC - Automated Area Distribution Centers
- CSNPF - Customer Service Network Processing Facilities
- ASF - Auxiliary Service Facilities
- PMPC - Priority Mail Processing Centers
- HASP - Hub and Spoke Program facilities
- PMC - Priority Mail Centers (Annex)
- ATO/AMF - Air Transport Offices/Air Mail Facilities

--AMF’s - the Postal Service handed out 80 Terminal Handling Services (THS) contracts worth $1.4 billion to “support” the AMF’s when it closed the AMCs and outsourced the work.

22 December 2006, OIG report NL-AR-07-001, Airport Mail Center Operations – “… network includes 59 airport mail centers… Initial standardization plans anticipated that 52 of the Postal Service’s 59 AMCs would be converted into ATOs (Air Transport Offices) over an 18-month period… In July 2006, the Postal Service formally announced that it was considering outsourcing the principal AMC core functions… no documentation to support staffing level… no productivity documentation to validate the managers’ assessment…”

USPS Five-Year Strategic Plan 1999-2005, The Organization page 8 – “Thirty-four Airport Mail Centers, supported by 36 smaller Airport Mail Facilities and centered around the “Eagle Hub” in Indianapolis, Indiana, for the air sub-network... Moving the mail through this network is a transportation system that includes the operation of 29 aircraft out of the Postal Service’s Eagle Hub...”

NGI-Solutions website – “Founded in 2004, NGI-S’ core team consists of a number of former government and U.S. Postal Service executives and staff...” (a) -- Peter Jacobson, President and CEO, former Regional Postmaster General over 30 years of Postal Service experience. (b) -- Barry Brown, Management Consultant, former USPS Manager of Service Purchasing Division – “with responsibility for all USPS HQ’s complex service contracts which totaled $2.2 billion annually.” (c) -- Robert Cwerwinski, Senior Management Consultant, former USPS Manager – “… responsible
for national air transportation contracts between the US Postal Service and Federal Express, Inc. valued in excess of $1 billion per year and with United Parcel Service valued at nearly $100 million per year. Managed the ground and terminal handling contracts (THS) supporting the USPS/FedEx air transportation contract valued at nearly $100 million per year which included facility layout and design, mail flows and mail distribution directives and policy.”

(d) -- Bill Fisher, Senior Operations Consultant, former USPS Plant Manager – “... This collaboration focused on priority and parcel post business that comprised $9 billion of USPS revenue. Consultant to USPS on continued development of END project...”

(e) -- Nancy Schmidt, Operations Consultant, former USPS Area Manager, - “...Network Redesign and Area Mail Processing initiatives.”

USPS OIG Report, Market Rental Rates for 117 leased Facilities, SA-MA-09-002, 30 September 2008, - “We are providing the attached summary prepared by the USPS Office of Inspector General by NGI-Solutions (Project # 09YG005SA001). The assessment of market rental rates found that 35 of 117 leases reviewed has costs above the range of the market rates...”


USPS OIG Audit Report – Revenue Generation Efforts in Supply Management (Report Number CA-AR-10-001), 9 November 2009, - “...We contracted with NGIS to identify private sector and foreign post best practices for leveraging supplier base to generate revenue...”

USPS OIG Report Number CA-AR-06-002, 26 May 2006, - “This report presents the results of our self-initiated audit of the controls over noncompetitive contracts awarded to former U.S. Postal Service employees (Project Number 05BG014CA000). We received a total of 3,303 contracts valued at more than $5,133,792,543. Because of the number of contracts with individuals, we then requested the Computer Assisted Assessment Techniques team to compare the Taxpayer Identification Number and Social Security Number (TIN/SSN) field in the contracts file to the SSN field of the current and prior Employee Master Files. This comparison identified 205 noncompetitive contracts the Postal Service awarded to former employees, valued at $11,595,406. From this population of 205 contracts, we excluded 45 contracts awarded to former Postal Service inspectors. In addition, we excluded 16 contracts awarded for renting personal vehicles because ... (2 We provided the list of former Postal Service Inspectors to the director, Oversight of Investigative Activities, for review.)... OIG Management Advisory, USPS Management of Personal Services Contracts (Report Number QR-MA-99-001, dated March 29, 1999), stated that management used contractors to supplement the career workforce dating back to 1992. Corporate restructuring reduced corporate staffing levels, resulting in the retirement or departure of many Postal Service career employees. As a short-term fix, the Postal Service contracted with many former employees to complete unfinished programs and projects. The report also stated the use of contractors may circumvent staffing levels, be more costly, and expose the Postal Service to tax and legal liabilities. Specifically, contract personnel may be construed under the law as employees because of the requirements in their contracts, comparability of their work with career Postal Service Employees, and length of their contract terms...”
6.2% of $39 billion in contracts = $2.41 billion going to former USPS employees. ---
$5,133,792,543/3,303 contracts = $1,554,281 per contract to former USPS employees.

USPS OIG Report Number DA-AR-10-004, 1 June 2010, - “This report presents the results of our audit of the U.S. Postal Service’s process for selling real estate assets (Project Number 10YG002DA000). Our objective was to determine if the Postal Service has adequate controls over the selling of real estate assets. … The Postal Service’s 41 facility disposal transactions in fiscal years (FYs) 2008 and 2009 resulted in net sales revenue of $275 million for the Postal Service. Thirty of the 41 (73 percent) facility disposal actions taken during fiscal years (FYs) resulted in the “best value”1 for the Postal Service. However, in 11 of 41 cases, the Postal Service did not obtain best value because internal controls over real estate disposals needed strengthening. In one example, the Postal Service sold and entered into a long-term leaseback agreement for the property instead of consolidating operations in a nearby facility. In other examples, the Postal Service sold properties below book or fair market value…” 27% not best value *
27,000 publicly funded facilities sold since 1970 = 7290 public trust facilities sold under value.

AMC/AMF, USPS Air Mail Center v. Contractor Air Mail Facility - Cato Journal, volume 5, No. 1 (Spring/Summer 1985) “End the Postal Monopoly”, by James C. Miller III, Chairman FTC (future USPS BOG), – “…The Postal Service provides a classic illustration of the problems inherent in trying to determine efficient prices and hold down costs for a regulated monopoly. … Higher costs also result from failure to innovate. For Example, as of 1974, the Postal Service still shipped all of its parcels in bags, which resulted in high breakage rates and handling costs.” --- When the Postal Service closed 60 Air Mail Centers and contract out the work the contract employees found it to difficult to cube-out the parcels load into the air containers that Postal employees were required to do. The Postal Service therefore required Postal Employees to perform extra work putting parcels into mail bags before sending them to the contract AMFs/ATOs to help the THS contractors to more easily load the “bags” onto the airplane containers (igloos). Which in-turned caused the air containers to be light weight. This cause the Postal Service to declare that “weight did not matter” for its Priority Mail covering up the fact that the Postal Service was over paying FedEx for the weight of the mail in the first place. This in fact caused the American Public double injury through paying extra breakage (insurance) and paying the extra handling costs (postage).

22 December 2006, OIG report NL-AR-07-001, Airport Mail Center Operations – “… network includes 59 airport mail centers… Initial standardization plans anticipated that 52 of the Postal Service’s 59 AMCs would be converted into ATOs (Air Transport Offices) over an 18-month period… In July 2006, the Postal Service formally announced that it was considering outsourcing the principal AMC core functions… no documentation to support staffing level… no productivity documentation to validate the managers’ assessment…”

OIG report EN-AR-07-002, 2006, “…Management did not fully document changes to service standards (both upgrades and downgrades) in the AMP proposals. Management also did not include an analysis of service performance data in the AMP proposals for the affected facilities or require an analysis of actual service performance after a consolidation for PIRs. Lastly, the consolidation proposals did not consistently address other potential changes…”
Postal Regulatory Commission official, John D. Waller, in a testimony before a House of Representatives subcommittee in July 2007 the -‘Postal Service acted on several misguided and poorly rationalized assumptions. He also cited lack of consistency, failure to develop, failure to seek public input, severe tardiness and errors in analysis in post-considerations reviews... USPS planners failed to properly consider service implications while making the assessments that are the foundation for the Evolutionary Network Design (END) program’.

Oral Statement on the three R’s of the Postal Network Plan: Realignment, Right-Sizing, and Responsiveness, 24 July 2008, David C. Williams, IG USPS, - “The Postal Service has used several strategies in its network realignment and each has its challenges... In the past 5 years, they have closed approximately 50 airport mail center and remote encoding centers, consolidated mail at 12 processing and distribution centers, and outsourced 13 airport mail centers... Looking to the future, the recently issued Network Plan describes the Postal Service’s vision of rationalizing its infrastructure and workforce... The Postal Service is considering improving efficiency and service in the bulk mail centers (BMC) network through outsourcing, and issued a draft request for proposal on July 1, 2008. Risks that must be addressed in this approach include reporting requirements of misconduct by contractors; work stoppages’ and conflicts of interest from contracting with parent or subsidiary companies of mailers.”

USPS OIG Report NL-AR-09-011, 2009, - “The Chicago AMC operated at lower efficiency levels for some operations as compared to national productivity standards or to similar operations at other facilities. We also found the Chicago AMC misaligned some workhours with workload in various operations. As a result, the Postal Service incurred approximately $10.6 million in unnecessary costs.”

-- MTESC – Mail Transport Equipment Service Centers, (23 contracts worth $1.1 billion).

USPS OIG Report Number TR-AR-01-001, 31 October 2000, - “This report presents results from our audit of the Mail Transport Equipment Service Center Network. This is the second in a series of reports and focuses on network internal controls. The audit responds to a request from the Board of Governors. Our audit revealed that equipment was invoiced as processed when work was not performed; that containers were reported as repaired when no repairs were made; that serviceable equipment was improperly condemned and discarded; and that these deficiencies were caused by inadequate separation of duties, insufficient record keeping, and insufficient quality assurance…”

In Alan Ritchey, Inc., NLRB JD(SF)-03-10, Richmond, CA, 32-CA-18149, 4 February 2010, Administrative Law Judge, Burton Litvack, found, page 35 - “While its inspectors were nominally expected to work at a rate quail to 100 percent of the USPS efficiency standards, I found that, since it opened its facility, Respondent actually tolerated processing department inspectors working at a lesser or minimum efficiency level. … Respondent variously held inspectors to 75, 80, or 85-percent efficiency levels… One inspector was expected to be at a 50 percent level…”

OIG Report Number NL-AR-10-009, 29 September 2010, - “This report presents the results of our self-initiated audit focusing on the nationwide management of Mail Transport Equipment (MTE) program (Project Number 10XG032NL000). … Postal Service Headquarters is responsible for establishing policy for managing all aspects of MTE program, and the Postal Service’s eight geographical areas are responsible for
ensuring compliance with all aspects of the MTE policy at the field level. We estimate the Postal Service purchased about $688 million in MTE over the past 12 years.1 ... Further, we estimate that about $897 million in MTE assets are at risk of loss, theft, and misuse because of the control weaknesses. These conditions also present a potential danger to public safety and security and reflect poorly on the Postal Service’s brand and public image…”

I went by the local USPS MTESC in Auburn, Washington, and found that there were 109 leased USPS trailers out side of the facility (full of mail transport equipment). The front of the facility has the sign “Mail Transport Equipment Service Center, Alan Ritchey” and no USPS anywhere. The facility itself was larger that the Priority Mail Annex (PMA) that I work in Kent, Washington. The MTESC building has close to public transportation, freeway, has HVAC and dock doors on opposite sides (for mail flow) all of which are Standard Design Criteria for postal facilities for which the PMA building does not meet any of the Standard requirements. With no HVAC postal employees suffer in the summer heat and winter cold. Located between the Green River and wildlife wetlands the number one injury reported is insect bite and with West Nile Virus creates unhealthy working conditions for postal employees to suffer under. Not being close to freeways lost contract drivers call every day asking for directions. Alan Ritchey Inc. has 6 MTESC contracts with the USPS. Of the 23 USPS leased MTESCs, facilities managed by accountable USPS official to approve theof disposal of broken equipment, purchased with public funds, none are on the USPS FOIA facility database (Off the books Capital Investment?). Alan Ritchey Inc., VP of Operations Billy Williams is also a Manager of the Houston Chapter of KPMG LLP that has consulting contracts with USPS. I saw a job offer for the Alan Ritchey MTESC in Auburn Washington that said that you needed to be able to stand in front of a 20 foot conveyer and inspect mail bags for holes in them. When Postal employees find holes in mail bags they place them in hampers marked “Unusable”. These hampers and other rolling stock equipment found by postal employees to be broken are taken at great expense to the contract MTESC where contractor re-inspect them for defects and then trashes them or repairs the equipment and then returns it to a postal facility. Where is the cost savings in that redundant process?

-- DDU - Destination Drop Units (DDU), Effective February 3, 1991, 33,000 Destination Drop Units (every USPS facility) were created for a new level of discount for mailers. USPS Publication 804, Drop Shipment Procedures for Destination Entry, Exhibit 3-1.2, Types of Facilities and Their Discount Rates Facility Type Discount Rate:

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Discount</th>
</tr>
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<tbody>
<tr>
<td>Bulk Mail Center (BMC) (renamed NDC)</td>
<td>DBMC</td>
</tr>
<tr>
<td>Processing and Distribution Center (P&amp;DC)</td>
<td>DBMC*, DADC, DSCF</td>
</tr>
<tr>
<td>Post Office</td>
<td>DSCF*, DDU</td>
</tr>
<tr>
<td>Annex**</td>
<td>DBMC, DADC, DSCF, DDU</td>
</tr>
</tbody>
</table>

-- MSP - Mail Service Providers, USPS created 29,000 MSPs as part of a new “Product Line.” September 2011, VP GARY REBLIN - “Since April, Every Door Direct Mail (EEDM) has brought in $45 million — and counting. In late July, we sent a direct
mail piece to 40,000 large businesses, including restaurants and retail chains, to let them know how EDDM can beef up their sales. USPS also teamed with Mail Service Providers and printers to market EDDM. More than 4,000 of them requested a kit that includes a how-to guide, a CD with instructions on how to customize sales brochures that promote their business, and a countertop display with tear-off sheets for potential customers. EDDM Retail continues to grow and is averaging more than 1,000 transactions per week, representing an overall volume of more than 2 million mail-pieces. And virtually all of this is new revenue for the Postal Service.” A Seattle Times article, 14 July 2011, noted that the Postal Service was closing 20 or 44 downtown mailrooms. What the article did not say is that the Postal Service trained and certified MSP in (1) Executive Mail Center Management (EMCM), (2) Mailpiece Design Professional (MDP) and (3) Mail Center Safety and Security. The USPS Coding Accuracy Support System (CASS), developed by Jonnie Roberts, PhD, certifies the MSPs like Syntel LLC to use CASS to verify the status of the Mailroom’s database and gives discounts equaling $500 for every 1,000 pieces mailed. Syntelpremiersolutions.com, - “Syntel realizes that not all companies want to keep their mailrooms in house. To serve this client base Syntel offers Syntel Premier Solutions, an outsourcing solution to companies considering moving their mailing operations off site…”


John Nolan retired from USPS in 2005. John Nolan now serves as MailExpress’ Director, Director of Operations for Merrill Lynch and as a Consultant to USPS Mail Service Provider (MSP) Streamlite, Inc., senior advisor to All Vision, Western Union, Chairman of the Smithsonian Institution’s National Postal Museum Advisory Council and the National Postal Policy Council. He is a board member of the Envelope Manufactures Foundation (EMA) and has been a Director of SkyPostal Networks, Inc. since May 19, 2010.

Rick Rover the founder of MailExpress has worked closely with the USPS’s partnership in FedEx SmartMail program and he began his career at Accenture consulting at the USPS. USPS Customer Revenue Data Summary for Mail Service Providers FY09 July YTD Mail Express - $1,745,000 up 11.2%.

Los Angeles times, 26 January 2011, - “Merrill Lynch has agreed to pay $10 million to settle Securities and Exchange Commission (SEC) accusations that from 2002 to 2007 its brokers overcharged wealthy customers and broke confidentiality agreements in pursuit of profits... SEC alleged that investors working with Merrill’s brokers were told that information about their trades would be kept confidential. But from 2003 to 2005, some brokers shared this information with Merrill’s proprietary traders, who were trading for the brokerage’s own in-house account, the commission said. In a number of instances, the SEC charged, the proprietary traders used the client information it immediately place similar trades. In one case cited in the document, after receiving
information about a client trade, a proprietary trader sent back an electronic message saying, ‘(I) always like to do what the smart guys are doing.’...

Founded in 2005 Streamlite Mailing Service was formed from Global MailExpress. “…Steamlite’s CEO Randy Clark said, but there is room for expansion or more employees as Streamlite grows. He expects revenue to continue to increase -- he expects it to be $150 million in 2010…” --- $150 million * 29,000 MSPs = $4,350,000,000,000 (trillion).

May 2004 SkyPostal Networks, Inc., an international mail distribution company specializing in hand delivery of commercial mail and periodicals to the Latin America-Caribbean region appointed former USPS BOG S. David Fineman to its Board of Directors. Postcom.org, 8 March 2010, - “S. Fineman, a former chairman of the USPS board of governors, has been appointed chairman of the Americas region for DHL Global Mail, …” Internetretailer.com, March 8, 2010, - “… ‘As one of the largest workshare partners of the USPS, Global Mail – along with our customers – stands to benefit greatly from Mr. Fineman’s extensive postal expertise,’ says Lee Spratt, CEO of DHL Global Mail.” DHL owns ParcelPool.com an Orem (Utah) Postal Service certified MSP. SkyPostal Matt Groppe sits on the Board of Directors of Express Delivery & Logistics Association along with James Conway former USPS Executive and VP of government relations of the Direct Marketing Association. 26 March 2009, SkyPostal Networks, Inc., Albert Hernandez - “By 2013, all EU members, about 26 countries must deregulate their market. As far UK, Holland, Germany, most of the larger countries have already. The CIS countries are in the process, but this is a mandate. If you are in EU, you must deregulate the market. In the United States, there is a possibility that might happen. The USPS of course will fight back and Congress will support it. We don’t see ourselves in the US market delivering mail. We see ourselves in the US market competing against the USPS on international, which is $2.5 billion last year…”

-- 814 Facility Access and Shipment Tracking (FAST) processing facilities. USPS Network Operations Home - Systems - Network Operations Systems Matrix, Active FAST Facilities List, 814 total FAST facilities to replace the Drop Shipment Appointment System (DSAS).

-- International Gateway Exchange Offices (GEO), USPS Business Environment Assessment 2009-2013, page 22, shows international courier industry has revenue of roughly $187 billion in 2007. Direct mail represents 11 percent ($20.5 billion) of international letter-post and wire transfers to Latin America and Asia are estimated to be $105 billion in 2008. In 2007, the international shipping and mailing market was worth more than $2 billion to the Postal Service, representing growth over 2006 of 13 percent. May 2004 SkyPostal Networks, Inc., an international mail distribution company specializing in hand delivery of commercial mail and periodicals to the Latin America-Caribbean region appointed former USPS BOG S. David Fineman to its Board of Directors.

USPS OIG Report Number NO-AR-05-010, 28 April 2005, - “This report presents the results of our audit of the Airmail Records Unit (AMRU) at the Los Angeles International Service Center (ISC) located in the Pacific Area (Project Number 05YG003NO000). … The Los Angeles AMRU was not operating efficiently. Specifically, fewer records were processed per workhour than at other similar-sized sites, workhours were misaligned with workload, and plant operations personnel were not always sorting mail properly. The Los
Angeles AMRU could begin to improve operational efficiency by reducing workhours by 5,450. This reduction could produce a cost avoidance of approximately $1.8 million based on labor savings over a ten-year period…”

-- Postal Qualified Wholesalers (PQWs), Tom Foley, USPS Manager of Global Sales Partner Management presentation to Postal Qualified Wholesalers (PQWs) shows that PQWs must have at least $1 million in international revenue. PQWs pick up the international mail from shippers on a daily basis under contract with the USPS. PQWs prepare and sort international mail before it goes to one of five ISCs. The largest PQW is Broker’s Worldwide partially owned by La Poste (France) with international processing facilities in Philly, Chicago, San Francisco, LA and Miami. Pitney Bowes International Mail Services holds the largest PQW Global Plus contract given a discount of 35%. 35% of $2 billion = $700 million going to PQWs.

All USPS International and Military Mail transportation has been contracted out to DHL Global Mail. DHL Global Mail is a subsidiary of Germany-based Deutsche Post World Net. Richard C. Blum of Blum Capital Partners (husband of U.S. Senator Dianne Feinstein) sits on the board of DHL and the Board of Directors of CB Richard Ellis (Commercial Broker) selling many of the Postal Facilities and he holds 276,654,948 shares of DHL. DHL Global Mail, 2 March 2010. - “DHL Global Mail is pleased to announce the appointment of -- S. David Fineman as Chairman of its Board of Directors for the Americas region. As a former Chairman of the U.S. Postal Service Board of Directors, Fineman brings substantial experience in postal matters to DHL Global Mail – Americas… Fineman was an outspoken advocate for postal reform legislation. Before becoming Chairman, Fineman served as the board’s Vice Chairman and Chairman of the Strategic Planning and Compensation Committee…”

-- 2,750 – USPS Business Mail Entry Units (BMEUs), - “The BME channel is an essential touch-point of interaction between the United States Postal Service® and all business segments. In FY 2002, over $34.4 billion in revenue (52 percent of total revenue of $66 billion) entered the Postal Service through the BME channel. The channel has almost 2.5 million business customers interacting with over 4,900 employees at 2,750 entry units of which -- 1,900 are postal facilities and -- 850 are at mailer plants. It processes over 13.4 million bulk mailings annually. Most of this mail volume, which represents approximately 73 percent of total Postal Service volume, enters the system through the BME channel either at the back dock or on-site at the mailer’s plant.”

24 July 2011, - “The National Association of Presort Mailers (NAPM) announced today that Robert Galaher has accepted the position of Executive Director for the association starting August 1, 2011. Bob recently retired from the United States Postal Service after 37 years of dedicated service. Bob has always been a change agent for the Postal Service. Starting out as distribution clerk, Bob moved up the ranks to Manager of Business Mail Acceptance, where he was responsible for the oversight of the national acceptance network processing approximately 12 million mailings yearly with $36 billion in annual revenue. Most recently Bob worked as Manager of Special Projects responsible for developing a plan to identify business and technical solutions to modernize the mail acceptance process, and develop a strategic vision and tactical roadmap for the Mail Entry and Payment Technology organization. Rich Gebbie, President of NAPM said “Bob brings an invaluable set of skills and experience with business mail acceptance along with a real passion….”
USPS OIG Report Number AO-AR-03-002, 25 September 2003, - “This report presents the results of our audit of work performed by business mail entry employees in the San Francisco Business Mail Entry Unit (Project Number 03WG002AO000). … Our audit disclosed that workhours at the San Francisco Business Mail Entry Unit were excessive and could be reduced by more than a third of fiscal year (FY) 2002 levels. Although Postal Service policies require the efficient use of workhours, management did not periodically evaluate staffing levels to the degree necessary to improve productivity. … As a result of our audit, Postal Service management agreed to reduce business mail entry workhours in the San Francisco Business Mail Entry Unit by at least 18,000 hours by the end of FY 2006. This will be done through employee attrition and would raise productivity closer to benchmarked averages for comparable business mail entry units. The financial impact of this workhour reduction could also produce a cost avoidance for the Postal Service of approximately $6.9 million over 10 years based on Postal Service cash flow methodology…” --- 1,900 Postal BMEU*$6.9 million = $1.311 billion wasted in 10 years.

$34.4 billion/2,750=$12.5 million per BMEU. 850 Mailer Plants * $12.5 million =$10.6 billion in revenue with 50% discount for workshare = $5.3 billion in lost revenue. 850 mailer plants * 1 million dollar mail processing machine each = $850,000,000 purchased from and enriching the Postal Service’s Mailing Industry “Partners”.

USPS OIG Report Number FF-AR-07-118, 16 March 2007, - “This report presents the results of our audit of annual mailing fees for package services (Project Number 06BD002FF106). This work was initiated as a result of issues brought to our attention during our fiscal year 2006 Financial Installation Audit of the xxxxxxxx Business Mail Entry Unit (BMEU) (Project Number 6BD002FF102). … The Postal Service allowed fees to be incorrectly shared among multiple permit imprint accounts for certain classes of mail.4 Specifically, fees are being shared for CAPS customers who hold multiple permit imprint accounts to mail Parcel Select, Media Mail, Library Mail, and Bound Printed Matter: destination entry at the same BMEU…”

Testimony of Ruth Goldway, February 3, 2003, - “… I can regale you with many stories about inefficiency; about executives being given large bonuses even when the bottom line was terrible, and the workers who actually processed and hauled the mail got no bonuses in good or lean years; about a flats mechanization program that for years was increasing the unit cost of processing flats; about non-productive labor time (breaks, clocking-in, etc.) in mail processing escalating from 6.2 percent of direct labor costs in 1969, the year before postal reorganization, to 31.4% in 1996….”

GAO Report GAO-03-205 Postal Service, January 31, 2003, - “Relocation experts we interviewed reported that plant and facility closures occur throughout the nation and generally result in negative economic and social impacts on employees and their families. They said that following a closure, displaced employees typically experience economic impacts, such as lost income, loss of retirement benefits, and lower income after finding a new job. Employees who relocate with their jobs are likely to encounter social impacts, such as marital stress, separations from family members, and the loss of social ties. … For the employees who relocate, the Service will cover basic relocation costs. However, covered costs differ for bargaining-unit and EAS employees. Relocation benefits for bargaining-unit employees are specified in the negotiated collective bargaining agreement between the Service and the APWU. Examples of covered
expenses include the cost of one advance house-hunting trip, the movement and storage of household goods, and 30 days of temporary quarters. For EAS employees the Service covers the cost of 3 house-hunting trips, the movement and storage of household goods, and 60 days of temporary quarters. Additionally, the Service provides EAS employees a more generous expense allowance and assistance in selling and purchasing their homes. … The Service has indicated that it also plans to make available to all EAS employees the services of a private job search firm to help them find employment outside the Service. However, according to postal officials, the Service has no plans at this time to extend these services to its bargaining unit employees because of their no-layoff clause, which EAS employees do not have.”

Sale and Leasing of Postal (Public) Facilities - GAO report GGD-96-59, – “...Problems with real estate transactions were apparently due to shortcutting important integrity safeguards through a mistaken sense of urgency... The purchase was seriously misrepresented before the Board of Governors; including erroneous information ... The Postal Service paid $12.5 million to the seller who had acquired the building for $4 million earlier the same day... In the 1992 award of a 10-year contract for air transportation, a consultant who was helping the Postal Service reviews the proposals... “

USPA OIG Report Number DA-AR-11-008, - “This report presents the results of our audit of facility leases and Contract Delivery Service (CDS) agreements that represent potential conflicts of interest to the U.S. Postal Service (Project Number 10YG016DA000). … Our audit determined the Postal Service entered into leases that resulted in financial conflicts.3 We identified 1,202 of 24,582 total leased properties that were obtained from current or former Postal Service employees with an annual rent value of $8.2 million. Of these properties, 982 were active leases with an annual rent value of $5.4 million. One-hundred seventy of the active properties were leased from current employees with an annual rent value of $490,375. Some pose risks of violations while others give the appearance of impropriety. Similarly, the Postal Service entered into 78 of the 7,797 total CDS contracts (valued at $3,005,818 annually) with current or former employees that, in some cases, resulted in apparent violations of federal regulations and Postal Service policies. Others also give the appearance of impropriety…”

ParSell Development Corporation was founded in 1998 by -- Chuck Baker after leaving the Postal Service where he served as a Real Estate Specialist. He led leasing and contract negotiations with lessors, developers and contractors, site selection for both new constructions leased and owned. He was also the Manager of Architectural Barriers Compliance Program at Postal Headquarters where he was responsible for the retrofit of 15,000 facilities, with a $136,000,000 budget. VP of ParSell -- Bob Wilkes retired as USPS Manager of Real Estate in January 2000 after 30 years. As a Contracting Officer, Bob was responsible for reviewing, approving and accepting contracts with builders and developers. ParSell Legal Advisor -- Larry Blanchard retired from USPS Legal Council’s office in Atlanta, with 18+ years of service. He handled all real estate legal matters (acquisition and leasing), transportation claims, and personal injury claims for the Postal Service from 1980-1999. ParSell VP -- Jean Baker is a former Real Estate Specialist for the Postal Service.
Mario Principle, was the USPS Delivery Services Manager. Mario is now with the National League of Postmasters and Association of United States Postal Leasors as - Post Office Continuance Consultant. PRC Docket No.N2009-1, December 2009, page 20 – “The purpose of the testimony of AUSPL witness Mario A. Principle were to: collectively rebut the direct testimony of (postal witness Matalik and VanGorder) and to show the failure of the current USPS station and branch closing process to provide continued effective service to customers of the Postal Service.”

AUSPL 2009 Conference in Las Vegas, Exhibitors: - “Post Office Reality, Inc., is a real estate company specializing in USPS-leased properties, distinguishes itself by focusing on client needs. In addition to maintaining an inventory of properties for sale, POR also provides advice on financing sources ...” Featured Guests: - “-- Tom Samra, USPS VP Facilities Headquarters, -- Steve Roth, USPS Manager of Reality Assets and Lease Management – ‘... Tom’s focus is the identification and disposition of excess property as well as extracting untapped value from ‘in use’ property for the Postal Service. -- Carlyn Nunes works for Coldwell Banker Hopps Realty Group, served 30 years with the United States Postal Service as a Postmistress on Cuttyhunk Island and Westport Point. Coldwell Banker real estate agent -- Nancy LaNell retired from the U. S. Postal Service, after 35 years of service...”

AUSPL President -- Gary Poelstra owns 80 Post Offices. AUSPL member -- Jeffery Hilst is a broker associate with CB Richard Ellis (CBRE) and owns 20 Post Offices. AUSPL Managing Director of the Insurance Program -- Rick Austin handles over 7,000 Post Office properties valued at over $2.8 billion owned by AUSPL members. AUSPL member -- Lawrence Schlager was instrumental in getting the Postal Service to assume responsibility for maintenance and taxes, easing the burden of lessors by reducing proportional share of the base rent (i.e. the American Public pays more money).

---$2.8 billion/7,000 facilities=$4 million per facility. $4 million*27,000 USPS leased facilities = $108 billion in leased facilities. 10% lease commission = $10.8 billion in commissions first signed and every time their extended.

CBRE - According to statistics by Real Capital Analytics, in 2004 CBRE led the U.S. market for commercial property sales with a 15.8 percent share. This coincided with a recovery in the market, and an influx of capital into investment property due to low interest rates. It was the fifth consecutive year CBRE led the United States in real estate investment sales. The company sold $28 billion worth of property in the United States alone in 2004.

CBRE Clients include: Accenture, McKinsey & Company, Boston Consulting, KPMG LLP., Deutsche Bank, Goldman Sachs, Morgan Stanley, Siemens, IBM, JP Morgan, Walmart, and USPS. In 2011 the USPS gave CBRE the exclusive right to sell what is left of the 30,000 Public Facilities built with Public Funds give to it in the 1970 Postal Reorganization Act to be held in Public Trust.

The Legal Environment of Business, Robert N. Corley and Robert L. Black, - “In the strict sense, a “trust” is a fiduciary relationship concerning property in which on person, know as the trustee, holds the legal title to the property for the benefit of another, know as the beneficiary. The trustee has the duty to manage and to preserve the property for the use and enjoyment of the beneficiary....”
Mail Processing Equipment and Public Investment - When the Postal Service closed the Seattle SeaTac Air Mail Center and gave the work to a contractor the Postal Service trashed two million dollar FSM 1000 Flat Sorting Machines. When the Postal Service closed the Olympia P&DC it threw five million dollar Delivery Barcode Sorters (DBSC) in the garbage. Say an average of three million dollar pieces of processing equipment trashed with every facility closed means that in closing 400 processing facilities the Postal Service is hiding the fact that it is trashing $1.4 billion invested in capital equipment purchased with the Public Trust Fund Money. Why can't the Postal Service give the excess mail processing capital equipment purchased with the American Public's money to Afghanistan to help them start their own Postal Service?

H.R. 22 the Postal Modernization Act of 1999, Hearing, March 4, 1999, Serial No. 106-16. -- Edward J. Gleiman, Postal Rate Commission Chairman, - "... For example, there has been a suggestion that one thing you can do when you distribute the assets to the competitive box and the non-competitive box, is have the competitive side sell its assets and lease them back. Then you can take the revenue that the competitive side has earned from selling its assets to the Postal Service's non-competitive side, and use this money to further fund the private law corporation above and beyond what I think your bill initially considered which is surplus in the competitive fund. ... It wants to have all the money that it makes on competitive products, both related to the cost of the products and related to any mark-up over the cost of those products, to be transferred into the private law corporation. Step back to another Postal Service amendment. The Postal Service wants to be able to transfer whatever it wants, without regard, over to the competitive side. Anything that's not monopoly can go over to the competitive side. So you are left with First Class, Standard letters, and a few other little things, that are covered by the monopoly. Everything else goes over into the competitive product area. Then you take all the money you make in a competitive product area, and you throw it over the fence into the private law corporation. ... The private law corporation provision is, and this is a constructive criticism, please understand, it is written in a manner which would allow the Postal Service to contract with the private law corporation, which is not obligated, by the way, to use union labor, to perform all the functions that are necessary to fulfill its obligation, leaving you with a hollow virtual Postal Service, if you will; a couple of floors at 475 L'Enfant Plaza where there are some contracting officers; a few policy people; maybe somebody to come up and testify occasionally. Those are some of the concerns that we have." --- Former PRC Chairman Edward J. Gleiman is now lobbying for the Direct Marketing Association (DMA).

Anyone see the "Hudsucker" movie were the Executive want to run the company into the ground so they can by it back cheap? The Deusche Post before it was "privatized" spent $6 billion in expanding into North America.

FedEx - Traffic World Report, April 2005. - "In a letter that had been kept confidential, FedEx wrote to the U.S. Bureau of Transportation Statistics (BTS) that releasing revenue and volume information about its lucrative postal contract would bring the carrier and the USPS "commercial harm" and would delay mail delivery. The article also quotes attorney David P. Hendel, a critic of the contract, as saying 'I think the Postal Service is embarrassed about how much they are paying FedEx. FedEx in a document filed with Securities Exchange Commission (SEC) last year wrote, "Confidential treatment has been requested for confidential commercial and financial
October 2004, - “...All businesses are a combination of quantitative and qualitative issues and lots of industry-specific details, but there’s also no small amount of indescribable art in there,’ FedEx CEO Fred Smith told fellow chief executives at a roundtable cosponsored by CEO Council and Accenture in New York.”

2/28/2005 Angela Greiling Keane Associate Editor, - “Even as it hauls huge volumes of mail in a deal with the U.S. Postal Service trumpeted as a classic partnership, FedEx is in a struggle with a government agency and competitors over whether to disclose just what that partnership is worth to the company. ... The BTS collects and publishes revenue and volume information from airlines about the mail, cargo and freight they carry. About a year ago, the agency asked FedEx Express to provide more detailed information about the mail it carries under the postal contract. Competitors, including the airlines that have lost huge volumes of mail under a USPS management of its delivery network, want those details as they seek ways to win back mail traffic. "Last time I checked, FedEx was a competitor of the Postal Service," said attorney David P. Hendel of Wickwire Gavin. "Yet they don't mind if FedEx has this information. Why shouldn't other companies?" ... In the 2003 fiscal year - the most recent year for which information is available - FedEx received $1.1 billion from the USPS. The second-place supplier was US Bank's XPress Copy Centre, which received $350.2 million.”

8 April 2005, PRC Docket R2005B1, - “The United States Postal Service hereby moves that the Commission waive the relevant portions of rules 31(k) and 54 with respect to one library reference, which is not provided with today’s rate case filing, that includes costs and other data associated with the transportation agreement between the Postal Service and Federal Express (“FedEx”). The Postal Service also requests that the Commission establish protective conditions to govern the provision of this library reference.”

Business Week 2006 forum: “Pursuing High Performance,” sponsored by Accenture. – “one of the things for us as we operate around the globe is to blend the corporate culture with the local culture.” Michael L. Ducker, President FedEx. “As you move on the global stage, you can either have a pile of rules this big or one page of principles that everybody adheres to.” William D. Green, CEO Accenture.

Business Mailers Review, February 13, 2006, - “According to data compiled by law firm Wickwire Gavin, FedEx is not only one of the U.S. Postal Service’s competitors; it’s its largest supplier. FedEx – which moves USPS’ Express, Priority, and First Class mail on its planes – increased its postal earnings by $200 million to an estimated $1.36 billion for FY 2005. Other top USPS vendors include Northrop Grumman, Siemens AG, Lockheed Martin, and IBM.”

OIG report NL-AR-08-002, 2008, – “We concluded that during fiscal year 2005 and 2006, the Pacific Area incurred about $17.8 million in unnecessary costs because they used expensive FedEx transportation to move mail that could have been moved on low-priced surface transportation or on less costly passenger airlines.”

DHL Global Mail - 2001 Comprehensive Statement on Postal Operations Chapter 1 Compliance with Statutory Policies pp.25-26 E. Transportation Policies (39 U.S.C. 101 (e),(f )) 1. General, - “… The Postal Service spent $5.1 billion for the contractual transportation of mail in 2001. This represents a 7.4 percent increase in the transportation expenses as reported in 2000. ... In 2001, the Postal Service spent $182 million for international air transportation to provide global delivery service to more than 188 foreign postal administrations. U.S.-flag suppliers were paid $143.2 million, and
foreign-flag suppliers (DHL) received $38.8 million. The use of foreign-flag suppliers, particularly for airmail service, expands the Postal Service’s ability to reach destinations where U.S.-flag suppliers do not provide the required service. In addition, the cost of military mail (DHL), reimbursed by the Department of Defense, was $122.7 million. …”

Purchase price: **1.05 billion** $US Bonn, 03/25/2003, 10:30 AM CET DHL, - “… a subsidiary of Deutsche Post World Net, announced today, that it has entered into a definitive merger agreement with the US based express parcel delivery provider **Airborne, Inc.** (NYSE: ABF). This transaction will increase market shares and profitability of both partners, hence creating a strong No. 3 in the US market to compete with the dominating players. Subject to the agreement are the entire non-airline related business activities of Airborne; airline business will be separated and will be owned as "ABX Air" by Airborne's current shareholders.”

Business first, January 21, 2008, - “…ABX said it had previously made arrangements to borrow up to $61 million from certain former shareholders of Cargo Holdings if the acquisition resulted in DHL demanding repayment of the note. The company also said DHL's request for prepayment of the note will not constitute an event of default under a **$345 million** credit facility entered in connection with the Cargo Holdings deal if certain conditions are met within five business days of the payment demand. … ABX Holdings operates a fleet of 135 aircraft and 14 U.S. hubs. The company recorded a $90.1 million in profit on $1.26 billion in revenue in 2006.

Mailing Systems Technology Conference, 8 May 2008, Q&A with PRC Commissioner -- Dan Blair, - “Can you provide us with examples of innovations that have been introduced into the pricing of parcels? -- A key innovation that dates back to the 1990s was the introduction of discounts on parcel rates for those mailers who drop ship parcels to the local delivery unit or regional sorting facility with barcodes and presorting. This work sharing activity significantly eliminated costs in the Postal Service, reduced the postage paid to the Postal Service and allowed mailers to use other, less costly and more customer-friendly means to get parcels closer to the point of delivery. **UPS, FedEx and DHL now use these discounts** to hand over to the Postal Service large volumes of parcels for the ‘last mile’ of delivery, which, for example, reduces logistics costs to rural areas. This resulted in a dramatic and immediate turnaround in a decades-old decline in the number of parcels delivered by the Postal Service.”

Distorting the DHL Deal, August 15, 2008, - “Ads from the AFL-CIO and the Obama campaign claim that McCain is partly to blame for the loss of more than 8,000 jobs in Ohio. They paint a false picture. There's at least some truth in both ads: German-based DHL announced a deal that could result in **8,200 lost jobs** in Wilmington, Ohio. And McCain did in fact oppose an amendment that would have kept DHL from buying Wilmington-based Airborne Express. McCain's campaign manager, Rick Davis, was also a DHL lobbyist charged with easing the merger through the Senate. … As we said, as many as 8,200 workers in Wilmington are likely to lose their jobs as a result of DHL's decision to outsource to UPS. … And it's true that DHL paid $185,000 to the firm of Rick Davis, McCain's campaign manager, to lobby for the merger (the $590,000 cited in the AFL-CIO mailer represents the entire amount that Davis' firm collected from DHL during Davis' tenure, most of which went for lobbying on other measures). … ABX Air stock rose more than 600 percent in its first year of operation (**ASTAR** is privately held).”
ABX Air - Directors James E. Bushman and Director Randy D. Rademacher worked for Arthur Anderson (ENRON’s accountant that changed its name to Accenture and moved to Bermuda.). Accenture earned $21 billion last year in government and postal consulting fees and privatized subcontract spin-offs of government programs. Former Deutsche Post CEO Klaus Zumwinkel privatized the Deutsche Post and gave away Germany’s $6 billion investment to Richard Blum for a song. Zumwinkel was convicted of Tax Fraud (German) and is a million-dollar-a-year Accenture Consultant help the Postal Service with its back-door privatization plans.


ATSG Directors James E. Bushman and Randy D. Rademacher worked for Arthur Anderson (Accenture). Director Jeffrey A. Dominick spent 13 years in leveraged and corporate finance for Deutsche Bank Securities and The Chase Manhattan Bank N.A. J. Director Christopher Teets was an investment banker at Goldman Sachs & Co. and worked in the investment banking division of Citigroup.

Postcom.org, 8 March 2010, - “S. Fineman, a former chairman of the USPS board of governors, has been appointed chairman of the Americas region for DHL Global Mail, the small-package courier service unit of Germany-based Deutsche Post DHL, according to Internet Retailer. Fineman’s experience with the Postal Service complements DHL Global Mail’s extensive ongoing relationship with the USPS, says Lee Spratt, CEO of DHL Global Mail – Americas.” Internetretailer.com, March 8, 2010, - “… ‘As one of the largest workshare partners of the USPS, Global Mail – along with our customers – stands to benefit greatly from Mr. Fineman’s extensive postal expertise,’ says Lee Spratt, CEO of DHL Global Mail.” DHL America also owns ParcelPool.com an Orem (Utah) Postal Service certified logistics provider.

USPS Newslink, 28 May 08, “The Postal Service is one step closer to PMG Jack Potter’s vision of being the last mile of delivery for every American. Deutsche Post – which owns DN – announced today that it has an agreement of cooperation with USPS that will have us delivering 40,000 more packages a day using Priority Mail and Parcel Select Service. The agreement also makes USPS the exclusive delivery provider for DHL to nearly 3,600 of the nation’s ZIP Codes.

--- So the German Government via the Deutsche Post bought Airborne in 2003 for $1.05 billion with the help of some U.S. Senators and sold the money loosing division to ATSG/ABX for $345 million (32 cents on the dollar) owned by the husband of a U.S. Senator. ABX’s stock rose 600% the first year of operation after former USPS Executives were named to its Board and it received the no-bid overseas Military Mail contracts from DOD and USPS international mail contracts.

GAO report 08-855 Post-Government Employment Restrictions and Foreign Agent Registration, page 4 – “Over 7,000 senior federal employees left government service between calendar year 2000 and 2007, according to OPM data... (footnote 8).” page 6 – “In 1962, the U.S. government enacted conflict of interest laws that were designed to protect against the improper use of government information by former employees... restrictions permanently prohibit former federal employees from representing a private company or organization before any federal agency...” --- Note --- There are thousands of retired Federal Executives that are draining the life and money away from the basic
infrastructure of the Federal government to provide the lawfully mandated services to the American Public.

**Congress and the Postal Service** - January 19, 2005, Representative Tom Davis, Chairman - House Government Reform Committee, 2348 Rayburn House Office Building, Washington, DC 20515-4611, - “…For example, according to the Mail Monitor research service of Synovate, the credit card industry mailed 915.9 million offers in 1992 with a resulting response rate of 2.8%. As response rates fell over the years since, the credit card industry tries to offset it by sending more junk mail. With only the first half of the credit card industry’s junk mailing data for 2004 available, …” Synovate is the million dollar contractor for the USPS’s Voice of the Employee Survey.

-- Former Congressman Tom Davis was one of the architects of the 2006 Postal Accountable Act. He now serves as the President and Chief Executive Officer of **Republican Main Street Partnership** and as the Director of Federal Government Affairs at Deloitte & Touche. Prior to Deloitte, Mr. Davis served seven terms in Congress representing Virginia’s 11th congressional district, and also served as Chairman of the House Government Reform Committee. He is a Board Member of *Agilex Technologies, Inc.* (Federal contracts) and *InfoZen*.

Agilex Technologies, Inc. consultants: -- Jay Nussbaum has served on the Board of Directors of **Northrop Grumman** Corporation, **KPMG** Consulting (**BearingPoint, Inc.*) and MicroStrategy. -- John Gall served as Vice President of Finance for Integic Corporation acquired by Northrop Grumman in 2005. -- Ira Entis served as the Vice President of Global Marketing at **BearingPoint**. -- Jerry McClure was responsible for the finance and supply chain management portfolios at USPS, which encompassed over two hundred systems and annual systems budgets of over $100M. -- Larry Albert led Integic Corporation’s (purchased by Nothrop) development and deployment of the world’s largest electronic healthcare management system, the DoD’s Medical System: Armed Forces Health Longitudinal Technology Application (AHLTA). -- Rich Lowell joins Agilex from **Northrop Grumman**. -- John Edwards served twenty years with the **Central Intelligence Agency**. -- Dave Martin joins the company following a 31 year career at the **Central Intelligence Agency**. -- Matt Warren worked at the **Department of Homeland Security** (DHS) and **Oracle Corporation**. -- Michael Armao worked for the Department of Homeland Security (DHS) and the Transportation Security Administration (TSA). -- Robert Otto was the USPS CIO and CTO. -- Tim Hoehchst spent 19 years at **Oracle Corporation** in a variety of roles. -- Dr. Wendell Ocasio was the Chief Architect for the Department of Defense’s $4 Billion global longitudinal electronic health record, AHLTA. -- Joe Donohue led all business development practice at Integic, a **Northrop Grumman** company.

**Info Zen** Directors: -- Michael J. Joseph is a retired partner from the accounting firm of KPMG LLP. -- The Honorable Arthur L. Money was the former Assistant Secretary of Defense for Command, Control, Communications and Intelligence (ASD C3I) and -- Dr. William (Bill) Schneider served as Under Secretary of State for Security Assistance, Science, and Technology (1982-86).

22 June 2011, Washington Post, By Ann E. Marimow, - “John “Jack” E. Potter’s appointment to lead two of the Washington area’s busiest airports and the construction of a Metrorail extension to Dulles International Airport closed out a year-long — and, at
times, rocky — search for a chief executive to the Metropolitan Washington Airports Authority. The selection of Potter, a former U.S. postmaster general, is expected to bring stability to the airports authority and allow it to train its attention to managing the multibillion-dollar Metro project. After the board’s formal vote Wednesday, former congressman Tom Davis (R-Va.), the vice chairman, called Potter a “first-class professional and outstanding leader” who would “bring a lot of credibility to this organization.”

Cartus was presented with a 2007 Supplier Performance Award by the USPS at a ceremony in Washington D.C. Cartus President and CEO Kevin Kelleher, said, “This is the result of the strong partnership we have had with USPS over the past 16 years.” USPS Key Supplier List, Cartus Corp (formerly Cendant) Tom Davis shares in Cartus - $53,000,000 worth $4.38 million.

Directmag.com, 28 February 2001, - “Former, Cendant Corp. chairman Walter Forbes and former vice chairman E. Kirk Shelton were indicted on criminal and civil fraud charges they deceived investors by inflating Cendant’s earnings, according to published reports. Referring to the case as one of the largest securities frauds they had seen, prosecutors allege that the two men ran a fraud scheme for over ten years, mostly at CUC International, a Cendant predecessor, which inflated earnings before charges by $500 million.”

OIG report FF-AR-09-211, 2009 – “… In calendar year 2008 alone, the Postal Service spent $73 million in relocation costs related to over 2,000 employees... The relocation company realizes revenue from its realty partner relationships and receives referral fees from the realty companies with whom it does business... We believe a less expensive alternative to hiring nationally and paying the high costs relocation would be to consider hiring and training locally available employees... CA-CAR-00-063 -The billing system related internal control policies and procedures of Cendant Mobility Services Corporation were adequate... Number of Houses Acquired in the last 2 years 1,022, ... Average loss on the Home Sale (-$53,307).”

--- Note --- $54,479,754 lost in two years that the Postal Service also paid Real Estate Commissions on. The Postal Service has purchased more private homes (at a loss) in the last five years than it has purchased Postal Facilities (all leased). The Postal Service paid an average of $36,500 to move a (management) employees not including the (millions of dollars) to buy their home. If leasing is better for the American Public’s investment than Postal Service Executives should be leasing their homes! The USPS 2009 Comprehensive Statement on Postal Operations page 50 shows 735 executives. The USPS 2009 Annual Report page 81 shows 2,811 Headquarters, 4,455 Headquarters – Field Support Units, and 1,047 Area Offices employees for a total of 8,313 Headquarters employees that makes with 2,000 moves in one year 24% of headquarters management moved so that every four years the Postal Service has a new set of upper Management changing everything that the pervious “Management” did.

Discounts - Statement of Alan Kessler, Vice Chairman Board of Governors, before the Subcommittee on Federal Workforce, 19 Jul 07, - “The issue being discussed here today is contracting. However, the issue for the Governors and the Postal Service is broader and more fundamental. The Postal Service must retain its ability to collectively bargain on a level playing field, and know that agreements that are reached after good faith negotiations, and the subjects of those negotiations and agreements, not be altered as
a result of legislative action… The Governors fully recognize and take very seriously the concerns the employee organizations have raised about the use of contractors to provide delivery service to the American public… The Governors are well aware of our fiduciary responsibility to the American public. … Through the use of workshare discounts, valued at roughly $18 billion last year, an entire industry has flourished which led to increased mail volume and revenue. These are just a few of the ways that the Postal Service, in cooperation with the private sector, provides high-quality, consistent service to the American public in the most cost-effective and efficient manner. By augmenting the services that the Postal Service provides directly with those services provided by our partners in private industry, we have been able to contribute to the economy. The Postal Service and the industries it supports account for roughly 9% of Gross Domestic Product or $900 billion…”

PRC Annual Report 2009, Ruth Y. Goldway, Chairman’s Message - “…the Commission verified and approved rate adjustments for both market-dominant and competitive products this year, as well as numerous specialized contract agreements and initiatives, including 68 Negotiated Service Agreements (NSAs), a three-fold increase over fiscal year 2008…”

Testimony of Chairman Ruth Y. Goldway, before the U.S. Senate Homeland Security and Governmental Affairs Committee’s Subcommittee on Federal Financial Management, April 22, 2010, - “… But ask the small towns of America if they think government business should be conducted in Walmarts. The functions of a Post Office cannot be easily transferred to WalMart as the Postal Service proposes. … Our Annual Compliance Determination pointed to 14 market dominant products that failed to cover attributable costs amounting to $1.7 billion. Thirty workshare discounts exceed avoided costs…”

OIG Report Number MS-AR-11-001, 23 December 2010, - “This report presents the results of our audit of Workshare Discounts Exceeding Avoided Costs (Project Number 10RG015MS000). … The Postal Service workshared over 80 percent of its mail volume in fiscal year (FY) 2008, resulting in an avoidance of $14.8 billion in costs and providing $15 billion in discounts to mailers.1 … Justifications for 19 workshare discounts that exceed avoided costs by approximately $104 million were not supported by detailed documentation. Additionally, although the educational, cultural, scientific or informational exception justifies discounts that exceed avoided costs, the Postal Service did not support the reasonableness of these discounts. The Postal Service does not have a documented process outlining how it reaches pricing decisions and does not always have sufficient documentation to support the amount of workshare discounts provided to mailers. According to Postal Service management, reliable quantitative data supporting justifications are also not always available or necessary. According to management, they do not document the price decision-making process, but make decisions after extensive discussions with parties both inside and outside the Postal Service…” --- $104 million/19 workshare discounts = $5.5 million not supported for each * 450 workshare discounts approved by the PRC = $2.5 billion in unsupported workshare discounts.

Fiscal Snapshot webcast by Chief Financial Officer Glen Walker, August 2008, stated that 3rd Quarter Volume was 155.2 billion pieces with $57 billion in revenue. That equals 36.7 cents per piece for a 22% average discount. If 48.7% (Alan Kessler, 19 Jul 07) of volume is discounted for 75.5 billion pieces sent. That would make 79.6 billion pieces paid the full 47 cent for $37.4 billion minus from the $57 billion in total revenue equals $19.6 billion in discounted commercial revenue for 75.5 billion discounted pieces
mailed. This makes an average of 26 cents each for commercial discount of 55% or $15.85 billion (21 cents * 75.5 billion) in commercial discounts for 9 months of the year. That is $1.76 billion a month in discounts for an estimated $21.13 billion lost (Postal workshare cost savings) to discounts in 2008. The New Jobs Tax Credit (NJTC) 1973-1975, generated about 400,000 permanent new jobs. The total cost to the U.S. Taxpayer was roughly $4.5 billion, so each new job cost taxpayers an average one time cost of $11,250 (Labor Economics, George J. Borjas, Harvard University, 2000). Shortly after his inauguration in 1981, President Ronald Reagan signed Executive Order No. 12291, requiring federal agencies to compare the benefits of proposed regulation with the costs of the regulation. $18 billion a year in Ratepayer public trust funds supporting 8 million postal industry jobs averages $22,250,000 per employee-per-year. “Labor Economics,” page 196, - “In 1950, the federal government employed 3.2 of all civilian workers in the United States, and state and local governments employed an additional 6.6 percent. By 1995, even through the federal government’s share of civilian employment had declined to 2.0 percent, the share employed by state and local governments had risen to 11.5 percent so that nearly 1 in 7 workers were employed directly by the government.” So 9% plus 11.5% equals 20.5% of American worker jobs (not counting the military) are funded by the American Taxpayer/Postal Ratepayer.

The Federal Court found in Fibreboard Paper Products Corp. v. NLRB (1964) that - “After the work was contracted out, the employer took the position that he had no further use for his employees and that negotiation of a new bargaining agreement for those employees would be pointless. … It was easy to reach that conclusion since the contracting out caused employee termination…”

Labor Costs - USPS Five-Year Strategic Plan 1999-2004, page 14, - “The size of the Postal Service – by Fiscal Year 1997’s twelfth accounting period, there were 887,866 employees working … – underlines the fact that labor costs are an enormous part of the postal budget, currently 77.6 percent of total expenditures.” Page 49, - “Significant capital investments are planned in two categories: new technologies that produce labor costs savings or achieve cost avoidance and customer service programs that generate revenue…” --- Labor cost savings? OIG Report Number DA-AR-06-004, March 21, 2006, - “…Replacing SPBS operations with APPS machines was the basis of the labor savings used to calculate the return on investment in the DAR. However, because of APPS performance concerns, the Postal Service operated both APPS and SPBS machines. As a result, the Postal Service will not fully realize the expected reduction in SPBS operational costs.”

2001 Comprehensive Statement on Postal Operations| Chapter 1 Compliance with Statutory Policies| pp.25-26 2. - “Expenses Compensation and benefits, including interest on deferred retirement, comprise more than 78 percent of our total expenses.”

USA Today, 3 February 2009, - “…This burden has left the Postal Service with few options. The U.S. government couldn't privatize the service, even if it wanted to, because no buyer would want to take on the $53 billion obligation, says privatization supporter Don Soifer, executive vice president of the conservative Lexington Institute. Labor costs account for 80% of Postal Service costs. ‘It's all about controlling labor costs,’ Soifer says. ‘That's what will determine if a bailout is needed in the future.’…” Lexington Institute Postal TrendWatch, Q2FY10, page 4, - “… Labor accounts for 80 percent of USPS costs, so increased workforce flexibility is crucial to any rescue plan. … Source: USPS Quarterly Statistics Reports.”

USPS Form 8-K current Eastern Area Report to the PRC, 4 February 2009,
Preliminary Expense Variance to Supply Quarter 1 FY 2009: - “*Total Personnel Comp. -$12M, - Transportation -$92M, Supplies & Service -$82M, All Other -$34M Expense -$220M Total --- *Includes Retiree Health Benefits.” --- $12 million in labor costs out of $220 million makes the true Total Labor Costs at 18.3%!

Postal Facts 2011, page 4, - “$67 billion - revenue in 2010, $1.9 billion - amount paid every two weeks in salaries and benefits.” $1.9*26 pay periods=$49.4 billion/$67 billion=73.7%

U.S. Census Bureau Table 1126, USPS Summary, shows in 2000 with 901,000 total employees 88,000 were management for a 9.7% ratio.

GAO Report 08-996, 10 September 2008 shows 670,000 total employees in 2006 with 72,450 managers/supervisors for a 10.8% ratio.

OIG Contract Fraud investigation report, 10 November 2007, found that the Postal Service is managing $39.8 billion in contracts per year. --- $39.8 billion/$67 billion=59.4%

Statement of Alan Kessler, Vice Chairman Board of Governors, before the Subcommittee on Federal Workforce, 19 July 2007, - “Through the use of workshare discounts, valued at roughly $18 billion last year, an entire industry has flourished which led to increased mail volume and revenue…” --- $18 billion/$67 billion=26.8%

--- The Postal Service hides several facts buried in its 80% labor cost propaganda.

(1) 10% of the labor force is management who represent 20% of wages ($12 billion).

(2) That 10% is responsible for spending $39 billion in Transportation, Supplies & Services and Other contracts. With 600 Senior Postal Executives with contracting authority that makes $65 million a year in contracts per-Executive.

(3) That 10% is responsible for $18 billion in workshare discounts (subsidies) per-year that have been approved by the PRC. That is $300 million per executive per-year.

(4) Most Postal Executives retire at 55 years under an early program they self-approved over the OPM objections and that the early retirement adds 30% to the cost of a Federal Employee’s retirement.

(5) The Postal Service gives its 80,000+ Supervisors, Managers and Executives $650 million (1%) a year in bonuses regardless of performance. The Postmaster General has said that he would like to give bonuses to labor employees except it is not allowed by the Collective Bargaining Agreement (CBA). The Supreme Court in Medo Photo Supply Corp. v. NLRB (U.S. 1944) found that it was an unfair labor practice to grant or withhold economic benefits because of a CBA representation. Retired PMG Potter was granted a $1 million retirement bonus by the Board of Governors for his “superior” performance. Less than a year after his “superior” performance the Postal Service is ready to declare bankruptcy.

(6) The Postal Service spends $600 million (1%) a year on external and internal events like the National Postal Forum attended only by highly paid Headquarters Employees mostly based in the high cost area (COLA) of Washington, D.C. With 600 Senior Executives that is $1 million per-Executive per-year spent to boost their status so when they retire they can find a higher paying job in the Mailing Industry that they created with Postal (the Public’s) Funds. The Postal Service maintains 300 Employees in Washington D.C. to manage its Events. 300 Employees who make a Washington D.C. COLA wage ($200,000 per year) equals $60 million. In comparison the Postal Service has 120 work-from-home contractors (former USPS Human Resource Employees) investigating 10,000+ per year Employee EEO complaints and doing a terrible job of it.
(7) The Postal Service spends $500 million a year in advertising (propaganda) contracts that promote money losing services and services offered by Postal Partners like Stamps.com where former PMG William Henderson is a Director. That investment has brought the Postal Service access to the best marketing genius that money can buy to develop Transformation propaganda/plan to privatize/outsource postal employee’s work. Postal Facts 2011 report that Stamp.com and Pitney Bowes’ Ebay stamp services bought in $1.3 billion in revenue in 2010 without reporting how much of that $1.3 billion the Postal Service received.

(8) The Postal Service spends $500 million a year on consultants (foreign – Accenture, McKinsey and domestic – Lexington, Cato Institutes) because Postal Executives do not have the know-how to fix the problems that their predecessors have created before taking an early retirement. That equals $833,300 per-year spent by each Postal Executive for consultants.

(9) The Postal Service trains it’s Senior Executives with to 9-month Sloan Fellowship course taught at (republican bending) American University. - 9-months of salary $100,000, - $300 per-day for lodging and food $81,000, - Tuition - $50,000, - Total - $231,000 per Executive times 600 Executives = $138,600,000 spent training Executives in how to contract out the work and not fix any of the “business” problems.

(10) The American Public expects a school teacher to manage 30 students. Most Postal Service Supervisors and Managers fail to properly manage the 9 employees under their supervision.

(11) The Postal Service does not account for or keep track of the billions of dollars in Public Trust Money that it spends every year for the mismanagement that causes Union Grievances, NLRB and EEO Complaints. Employees are forced to use bias administrative procedures that produce outcomes laced with Inspection Service, OIG and USPS Law Department meddling that are heavily weighted towards management. These Administrative rulings are un-reviewable by the Courts because Congress gave the Postal Service immunity from the Administrative Procedures Act - Title 5 Review - but forces employees to follow these corrupt federal administrative (law) regulations and than blame the add billions of dollars on labor costs.

Statement of Postmaster General John E. Potter, House Committee on Oversight, 19 Jul 07 – “… the absolute expansion of cost-reduction strategies such as the outsourcing of work now performed by Postal Service employees – whenever and wherever possible… We are also protecting the interests of all postal stakeholders, including our employees.”

Testimony of George A. Omas, PRC Commissioner before the President’s Commission on the USPS, February 20, 2003, - “…It has been said that the power to tax is the power to destroy. A close corollary is that a monopolist that can set its own rates for essential services has the ability to cause great harm. This is particularly so when the monopolist provides services in competitive markets as well as its monopoly products. I am not suggesting any past, present, or future intent by the Postal Service to compete unfairly or to provide unjustifiable preferences as between particular members of the business community. I simply point out that because of its legal monopoly, decisions by the Postal Service can have a devastating impact on diverse segments of
the American economy. The Service has the power to severely hamper the ability of individual firms to compete in the marketplace, or private citizens to communicate with family, friends, or businesses. .. When Congress was contemplating postal reform in 1970, it was concerned that postal management might succumb to pressure from large advertising mailers in setting rates. Congress recognized that there would be a strong temptation to shift most of the rate burden on to captive First-Class Mail users...”

All of these management-related and facility leasing costs were not present in the 1970s when the U.S. Postal Service was created and given 30,000 federal/public facilities. The true cost of mismanagement is hidden from the American Public and Congress by bias for profit and nonprofit (funded by the Public) organization’s reports, research, analysis, studies, recommendations, opinion polls, surveys (Synovate) and consulting contracts (Accenture) that produce the false propaganda and Generally Accepted Accounting Tricks (developed for ENRON by public accountant Arthur Anderson turned consultant - Accenture) that the American Public also unknowingly pays for.

It is clear that the USPS has spent billions of dollars of the Public’s Money in creating the private mail processing and delivery network using workshare discounts and contracts. It is also clear that the Postal Service is keeping these publicly funded companies off-the-federal-books and hidden from the American Public.

Federal Executives who handed out these discounts and contracts are finding a second more profitable career working for these companies to supplement their federal retirement! What the Postal Service hides is the fact that it contracts out whatever the Public will not readily notice like the contracting out the work of the Stamp Distribution, International Mail and even core mail processing work at the National Distribution Center in Denver, Co. The Postal Service is also hiding the fact that the publicly funded Mailing Industry is also funded by advertising revenue stolen from American Newspapers and Magazines.

The 850 Mailer Plants funded by the American Public and their junk mail replaced 850 Newspapers and Magazines that went out of business. Just look at ADVO’s (Valpak) ownership of the Chicago News Tribune and its distribution network. Look who owns the private 850 Mailer Plants (Pitney Bowes) all funded by the unknowing American Public. Hidden from the American Public is the fact that all of these mailing industry companies, 10% of the U.S. Economy (to-big-to-fail), have minimum wage workers and million dollar managers/owners, many of whom are former Federal Executives, Contractors and Consultants.

Looking at what happened to NASA, driven by the same federal consulting firms, one would clearly conclude that the same is what is happening to the U.S. Postal Service. Why would the American Public knowingly fund a private mailing network when they have already paid dearly for the U.S. Postal Service? Why should America fund a Federal Executive’s or USPS Board of Governor’s retirement so he can make even more money using his insider’s knowledge gained in Public Service working for Federal Contractor (he or she approved) or a Company created with a workshare discount (he or she approved) also funded by the Public’s Money so they can write-off their taxes as a business expense Skypostal retirement trips to the Caribbean??

5 June 2011, Bloomberg, “... The 73rd Postmaster General sits comfortably in a blue leather chair in his wood-paneled Washington office, surrounded by postal artifacts. There’s a portrait of original Postmaster Benjamin Franklin on loan from the Smithsonian Institution and a bronze statue of a Pony Express rider. ... He started as a clerk in his
hometown mail sorting center when he was in college. ‘I just never left,’ Donahoe chuckles. ‘That’s the story of a lot of people around here.’ Donahoe, who took office in January, is surprisingly upbeat for someone in charge of an agency on the verge of bankruptcy. He says he wants to dispel ‘some of the negative vibes hat have been floating around’ the postal service. He acknowledges that first-class mail is in an inexorable decline, but he sees junk mail rebounding with the economy. In the last quarter of 2010, junk revenue climbed 7.1 percent. ‘That proves there is viability in our system,’ Donahoe insists. (Unfortunately for the USPS, junk volume has since plateaued.) ... The implosion could happen this year because of the stalemate in D.C. Maybe that’s what it will take for Americans to get a modern mail service. Even Donahoe, who advocates something less, sounds as if he would welcome it because there’s no other way out. ‘Some people say if you crash the system,’ he says, ‘then people will pay attention to you’.

“Labor Economics,” written by Harvard Professor, George J. Borjas, has simplified a firm’s Production Function for estimating output: number of employee-hours hired by the firm (E) and capital (K), the aggregate stock of land, machines, and other physical inputs = the firms output. So in simple terms no employees and no capital equal no output or simply no Postal Service.

--- Note --- Remember when bill statements said “post-marked by” due date? When did it change as my Chase Credit Card Statement says now - “send in 7-10 days before the due date”? After the USPS Remittance Mail Advisory Committee found that 1 day sooner payment processing added +1% to a company’s bottom-line the Postal Service created a special streamlined processing for the bill collectors (remittance companies) to get their money in less than two days. Remittance Companies take in billions of dollars every year from the American Public making a one day adjustment worth over a billion dollars a day to them. Chase bank is given billions of dollars in “worksharing” discounts to mail multiple credit card applications to Americans who would prefer to be on a do-not-mail list. USPS sold the addresses of all of its employee and contractors to Chase to send them for 17.6 cents applications for a USPS Employee Visa Card. Chase signed up over 100,000 postal employees and contractors for $500 million in accounts and kicked-back to the Postal Service $5 million (1%). (Note: 62% first-class rate discount (-26.4 cents) * 800,000 employees and contractors = $21 million rate discount.) Chase is given billions dollars in discount to sent bills and statements to Americans but Americans are not given discounts to mail their payments. Under the USPS billion dollar Intelligent Mail program that scans every mail piece so companies like JP Morgan Chase can access the USPS computers and see if the check is in the mail. So the “post mark” rule has been lost to the full-rate paying American Public and they are left to the devices of the mailing industry to charge late fees and have access to their money days early than in the past with no accountability of what used to be vested in the Postal Service’s Post Mark. So with the biggest discount mailing industry customers of the Postal Service are moving to the internet and the Postal Service will loose even more of the Public’s investment in the junk mailing industry. The Mailing Industry built by Pubic Trust Money is abandoning the Postal Service and Postal Service Executives giving the rest away or taking the best parts with them into retirement. The end is near for what is left or an American Public and Federal Government-that-can’t-afford-it bailout.
1. 50% reduction of the $18 billion in processing workshare National Service Agreements would save the Postal Service $9 billion a year and move the lost/stolen processing capacity back. (Statement of Alan Kessler, Vice Chairman Board of Governors, before the Subcommittee on Federal Workforce, 19 Jul 07, - “Through the use of workshare discounts, valued at roughly $18 billion last year, an entire industry has flourished...”)

2. 10% reduction of the $39 billion in Postal Service over-paid back-door negotiated co-brandings, alliances, partnerships, agreements, licenses and contracts would save the Postal Service $3.9 billion a year. (USPS FY 2005 Accomplishments, by Lynn Malcolm USPS VP Controller Accounting Services shows 400,000 suppliers for the Postal Service and $39 billion in contracts.)

3. Cancellation of the 10,000 (IBM Retail Point-of-Sale equipment installation contract for 27,200 Post Offices) leases for useless facilities/warehouses that do not produce revenue of Post Offices or add value like Processing Centers would save $4 billion a year. (Every facility should have a public serving and paid for post office attached.)

4. Cancellation of all USPS Consulting, Polling, Surveys, Studies, Public and Governmental Relations (lobbying) contracts would save the Postal Service $1 billion a year. ($27 billion in Federal Professional Service Outsourcing contracts, Federal Times, March 2004.)

5. Cancellation of all of the USPS advertising (propaganda) contracts would save the Postal Service $500 million a year. (USPS OIG Report 09UIHQ0132GC11SI, Robert F. Bernstock, June 2010, – “… Segment Advertising subsequently shifted costs around to show a larger than actual profit, thus making Media and Advertising’s campaigns (i.e. Priority Mail) look more effective and profitable...”)
6. Cancellation of all USPS External Events, funding, membership, sponsorship or attendance of any Committee, Association, Institute, Council, or Nonprofit (Cato, Lexington, NPF, MTAC, MITF, PostCom, etc.) Conferences or other Events (Accenture sponsored/paid for golf tournaments) would save the Postal Service $500 million per year. (Office of Government Ethics, Report Number 06-004, 22 February 2006, - Widely Attended Gatherings.)

7. Cancellation of the postal contracts with companies that have moved their headquarters overseas to avoid U.S. taxes and Congressional Testimony. (9 June 2004, - “A House committee voted yesterday to block a huge federal contract with Accenture LLP for developing a system to track foreign visitors because the company has sidestepped some taxes since moving its headquarters to Bermuda…”)

8. Cancel the postal contracts with companies that have hired former Congress Members, or retired Federal Agency Executives. (Former USPS BOG Michael S. Coughlin is a Director at the USPS funded nonprofit National Postal Forum and Accenture Consultant. Former PMG William Henderson sits on the Board of Stamps.com and Netflix. Former Congressman Tom Davis (Postal Accountability Act) is a consultant at Deloitte and is a Board Member of Agilex Technologies, Inc. and InfoZen all federal contactors.)

9. Cancel the USPS Funding of tax-exempt nonprofit entities that have received federal money (tax breaks) to lobby and influenced the Congress. (USPS Spend by Supplier FY2009 #161 American Association of Political Consultants - $30,000.)

10. Cancel the USPS official sponsorship of Sports Teams or Sporting Events (Super Bowl, NASCAR, French bicycle races, Olympics, etc.).

11. Cancel the sale of any owned USPS facility and a freeze of leasing new or
renewing facility leases until full audit and review of the USPS’s facilities is completed by GSA or GAO to find if “leasing is a better deal” or fraud.

12. Close all USPS Area Headquarters Operations. The Postal Service National Headquarters will be directly linked to District Headquarters with no in-between befuddled management. U.S. Postal Service National Headquarters will be moved from its Washington D.C. political base to Norman, Oklahoma, where it has already determined that location was the best suited for the national training of its employees.

13. Require that all official USPS seminars, classes, conferences and meetings be held in Norman, Oklahoma or other federally owned facilities and not in places such as Las Vegas, Nevada, or Hawaii where they are held now for management classes.

14. Require that all future Postal Service Facilities be planned by Postal employees and not consultants. These facilities will be purchased and maintained by the GSA for the American Public’s use and not designed to support Junk Mailers. All facilities must have a Post Office in or attached to them with a Mail Box outside and a Stamp Vending Machine in the lobby. Those facilities open 27/7 will have a 24/7 Post Office. This would create jobs rebuilding the Public Facilities Infrastructure that has been lost and not flushing the rest down the toilet.

Just The Facts Reported by USPS Employee Lance McDermott, treke@hotmail.com