

**POSTAL REGULATORY COMMISSION**  
**OFFICE OF INSPECTOR GENERAL**



**SEMIANNUAL REPORT TO CONGRESS**

October 1, 2017 through March 31, 2018

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## TABLE OF CONTENTS

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	PAGE
Introduction.....	2
Activities of the Office of Inspector General .....	3
Inspector General Act Reports .....	5
Contact Information.....	10

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# **INTRODUCTION**

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## **THE POSTAL REGULATORY COMMISSION**

The Postal Regulatory Commission (PRC) is an independent federal agency established (as the Postal Rate Commission) by the Postal Reorganization Act of 1970. From its establishment through the enactment of the Postal Accountability and Enhancement Act (PAEA) of 2006, the Commission primarily received United States Postal Service proposals for domestic mail rates and classifications, presided over litigation regarding those proposals, and recommended rates and classifications to the Board of Governors of the United States Postal Service. PAEA, which was enacted on December 20, 2006, re-designated the Commission, expanded its jurisdiction to include international mail and service standards, and charged the Commission with implementing a new system of postal rate regulation.

The PRC consists of five Commissioners who are appointed for six-year terms by the President, with the advice and consent of the Senate. No more than three of the Commissioners can be members of the same political party. The President designates one of the Commissioners to serve as Chairman, and the Commissioners, by majority vote, select one Commissioner to serve as Vice Chairman.

Commissioner Ruth Y. Goldway was first nominated to the Commission in 1998, and her third term ended in November 2014. Her carry-over year ended in November, 2015, and she left the Commission then. Her seat, which exist in 2021, has been vacant since then

## **THE OFFICE OF INSPECTOR GENERAL**

The Commission established the Office of Inspector General (OIG) on June 15, 2007 and hired the first Inspector General on June 23, 2007. During the reporting period, OIG had three full-time employees—the Inspector General, a senior auditor and an administrative assistant.

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# **ACTIVITIES OF THE OFFICE OF INSPECTOR GENERAL**

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## **AUDITS, INSPECTIONS AND EVALUATIONS**

Under the Inspector General Act of 1978 as amended (IG Act), the Inspector General provides policy direction and conducts, supervises and coordinates audits and inspections relating to programs and operations of the Postal Regulatory Commission.

OIG conducts these reviews in accordance with either Generally Accepted Government Auditing Standards or with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation, or other standards as deemed appropriate.

### **ONGOING AUDITS, INSPECTIONS AND EVALUATIONS**

At the close of the reporting period, three inspections were ongoing: (1) A review of the PRC's budget process (2) A review of the PRC's Student Loan Repayment Program (SLRP) and (3) A review of the PRC's tuition reimbursement program. OIG separated the PRC's Student Loan Repayment Program and the PRC's tuition reimbursement program for ease of presentation. OIG is conducting these reviews in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation.

The objective of our review of the PRC's budget reporting process is to determine whether PRC budget reporting was properly documented and whether the expenses were properly classified.

The objective of our review of the PRC's Student Loan Repayment Program (SLRP) is to determine whether PRC complied with the SLRP policy. The scope of our review includes SLRP payments made to PRC employees during Calendar Years 2014 and 2015.

The objective of our review of the PRC's tuition reimbursement program is to determine whether PRC complied with the tuition reimbursement policy. The scope of our review includes tuition reimbursement payments made to PRC employees during Calendar Years 2014 and 2015.

## **INVESTIGATIVE ACTIVITIES**

Under the IG Act, OIG receives and investigates allegations of fraud, waste, abuse and misconduct within the PRC's programs and operations. OIG investigations can give rise to administrative, civil and criminal penalties.

In order to facilitate reporting of allegations, OIG maintains a hotline (see

“Contacting the Office of Inspector General,” Page 8). During the reporting period, OIG received hotline contacts via postal mail, electronic mail and telephone. Many were complaints regarding the United States Postal Service, which OIG forwarded for action.

OIG did not refer any matters for prosecution during the reporting period.

## **OTHER ACTIVITIES**

### **REGULATORY REVIEW**

Under Section 4(a)(2) of the IG Act, OIG reviews drafts of proposed Commission rules and regulations. OIG did not review any draft policies during the reporting period.

### **LIAISON ACTIVITIES**

The Inspector General is a member of the Council of Inspectors General on Integrity and Efficiency (CIGIE), which was established on October 14, 2008, pursuant to the Inspector General Reform Act of 2008. The Inspector General attends meetings of CIGIE and serves on CIGIE’s Legislation and Professional Development Committees.

### **PEER REVIEW**

The most recent audit peer review of the PRC OIG was performed by the Appalachian Regional Commission Office of Inspector General on June 8, 2015. The report stated that the system of quality control for the audit organization of the PRC OIG in effect for the year ended September 30, 2014, has been suitably designed and complied with to provide the PRC OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. A copy of the PRC system review report is available on the OIG website.

OIG did not conduct any peer reviews during this reporting period.

## INSPECTOR GENERAL ACT REPORTS

Section 5(a) of the IG Act requires that the following information be included in semiannual reports.

REFERENCE	REPORTING REQUIREMENT	PAGE
Section 5(a)(1)	Significant problems, abuses or deficiencies identified	None
Section 5(a)(2)	Recommendations for corrective action	None
Section 5(a)(3)	Significant open recommendations from previous semiannual reports	None
Section 5(a)(4)	Matters referred to prosecutors, disposition	None
Section 5(a)(5)	Reports of information or assistance unreasonably withheld	None
Section 5(a)(6)	Listing by subject of audit reports issued	None
Section 5(a)(7)	Summary of particularly significant reports	None
Section 5(a)(8)	Statistical table—questioned costs	Table 1
Section 5(a)(9)	Statistical table—recommendations that funds be put to better use	Table II
Section 5(a)(10)	Summary of unimplemented recommendations from prior reporting periods	None
Section 5(a)(11)	Significant revised management decisions	None
Section 5(a)(12)	Significant management decisions with which the IG is in disagreement	None
Section 5(a)(13)	Information under section 05(b) of the FFMIA	None

<b>REFERENCE</b>	<b>REPORTING REQUIREMENT</b>	<b>PAGE</b>
Section 5(a) (14)(15)(16)	Peer Review Activity	Page 4
Section 5(a) (17)(18)	Statistical table—investigative reports, criminal referrals	Table III
Section 5(a)(19)	Summary of results of investigations involving certain government employees	None
Section 5(a)(20)	Summary of findings of whistleblower retaliation	None
Section 5(a)(21)	Attempts to interfere with OIG independence	None
Section 5(a)(22)	Closed OIG audits, inspections, evaluations and investigations	None

**Table 1**

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**AUDIT REPORTS WITH QUESTIONED COSTS**

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	<b>Number of Reports</b>	<b>Number of Recommendations</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>
A. For which no management decision has been made by the commencement of the reporting period.	0	0	0	0
B. Which were issued during the reporting period.	0	0	0	0
<b>Subtotals (A+B)</b>	0	0	0	0
C. For which a management decision was made during the reporting period.	0	0	0	0
D. For which no management decision has been made by the end of the reporting period.	0	0	0	0
E. For which no management decision was made within six months of issuance.	0	0	0	0



Table II

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**AUDIT REPORTS WITH RECOMMENDATIONS THAT  
FUNDS BE PUT TO BETTER USE**

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	<b>Number of Reports</b>	<b>Number of Recommendations</b>	<b>Dollar Value</b>
A. For which no management decision has been made by the commencement of the reporting period.	0	0	0
B. Which were issued during the reporting period.	0	0	0
<b>Subtotals (A+B)</b>	0	0	0
C. For which a management decision was made during the reporting period.	0	0	0
D. For which no management decision has been made by the end of the reporting period.	0	0	0
E. For which no management decision was made within six months of issuance.	0	0	0

**Table III**

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**INVESTIGATION RESULTS**

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	<b>Number of Reports</b>
A. Total number of investigative reports issued during the reporting period.	0
B. Persons referred to DOJ for prosecution during the reporting period.	0
C. Persons referred to state and local prosecuting authorities during the reporting period.	0
D. Indictments and information resulting from OIG referrals during the reporting period.	0

Description of metrics used: Not applicable

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## **CONTACTING THE OFFICE OF INSPECTOR GENERAL**

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In our mission to detect and prevent waste, fraud and abuse and to promote efficiency and economy at the Postal Regulatory Commission, the Office of Inspector General relies on information provided by PRC staff and the general public.

Contact OIG to report illegal or wasteful activities or to receive copies of OIG reports:

Telephone:  
**202-789-6817**

E-Mail:  
**prc-ig@prc.gov**

Internet:  
**<http://www.prc.gov/oig>**

Mail:  
**Office of Inspector General  
Postal Regulatory Commission  
901 New York Avenue, NW, Suite 250E  
Washington, DC 20001**

**IDENTITIES OF WRITERS AND CALLERS ARE PROTECTED TO THE FULL EXTENT  
OF THE LAW.**