



OFFICE OF INSPECTOR GENERAL
Postal Regulatory Commission
Washington, DC 20001

October 29, 2021

Chairman Michael M. Kubayanda
Vice Chairwoman Ashley E. Poling
Commissioner Mark Acton
Commissioner Ann C. Fisher
Commissioner Robert G. Taub
Postal Regulatory Commission
901 New York Avenue, NW, Suite 200
Washington, DC 20268-0001

Dear Commissioners:

I am pleased to enclose the Office of Inspector General's latest Semiannual Report to Congress.

This report covers audits, investigations and other reviews conducted by the Office of Inspector General from April 1, 2021 through September 30, 2021.

In accordance with Section 5(b) of the Inspector General Act of 1978, please transmit this report to the appropriate House and Senate Committees by November 30, 2021, along with the Postal Regulatory Commission's report on audit recommendations and any comments you may have.

I greatly appreciate the continued assistance you and the Commission's staff have provided to the Office of Inspector General. I look forward to continuing to work with each of you to improve Commission operations in the future.

Sincerely,

/s/ Jack Callender

Jack Callender
Inspector General

POSTAL REGULATORY COMMISSION
OFFICE OF INSPECTOR GENERAL



SEMIANNUAL REPORT TO CONGRESS

April 1, 2021 through September 30, 2021

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INTRODUCTION

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.

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 a program analyst.

ACTIVITIES OF THE OFFICE OF INSPECTOR GENERAL

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, a follow-up review and an inspection were ongoing: (1) A follow-up review of Employee Transportation Subsidy Program and (2) An inspection of PRC Purchase Card Expenses. 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 Employee Transportation Subsidy Program is to determine if the PRC took appropriate actions to implement recommendations 1, 8 and 9 made in our 2009 audit report.

The objective of our review of PRC Purchase Card Expenses is to determine whether PRC purchase card expenses were properly supported, reasonable, and made for business purposes. The scope of our review includes purchases made between October 1, 2018 through September 30, 2020.

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 as appropriate.

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.

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 served on CIGIE's legislation and budget committees.

PEER REVIEW

During the reporting period, OIG completed an audit peer review of the United States Capitol Police Office of Inspector General on December 28, 2020 pursuant to Government Auditing Standards requirements.

The National Endowment for the Arts Office of Inspector General concluded the most recent audit peer review of the PRC OIG on March 29, 2021. The report states that the PRC OIG established policies and procedures for the audit function in effect for the peer review period ending September 30, 2020 that were current and consistent with applicable professional standards.

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

REFERENCE	REPORTING REQUIREMENT	PAGE
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 that were not disclosed to the public	Page 4

Table 1

AUDIT REPORTS WITH QUESTIONED COSTS

	Number of Reports	Number of Recommendations	Questioned Costs	Unsupported Costs
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
Subtotals (A+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

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

	<u>Number of Reports</u>	<u>Number of Recommendations</u>	Dollar Value
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
Subtotals (A+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

INVESTIGATION RESULTS

	Number of Reports
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

CONTACTING THE OFFICE OF INSPECTOR GENERAL

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.**