

September 24, 1998

ALLEN R. KANE
CHIEF MARKETING OFFICER AND SENIOR VICE
PRESIDENT

SUBJECT: Distribution of Celebrate the Century Ballots
(Audit No. RG-MA-98-006)

This final Management Advisory Report summarizes the results of our review of a Hotline complaint from a letter carrier stating that "Postal Management" was requiring letter carriers to deliver Celebrate the Century (CTC) Official Ballots to postal patrons without the required postage. We have summarized your comments after each suggestion in this report and included the comments as an attachment.

Management's comments were generally responsive to the issues and suggestions raised in this report. Your planned action on the first suggestion is responsive and satisfies the overall intent. However, we will need confirmation of the revision to the "Employee Guide Book Celebrate the Century," when it is issued in November 1998. With regard to the second suggestion, we agree with the actions planned but believe that the advice to the Area Stamp and Retail facilitators should also be in writing to ensure the guidance is disseminated to all affected field offices.

Background

The Postal Service CTC Program is the first official 20th Century Commemorative stamp program the public can vote on. The Citizens Stamp Advisory Committee recommended the stamp subjects for the period 1900-1940s and the postmaster general approved the selection. In February and May 1998 the public voted on subjects for the 1950s and 1960s stamp series, respectively. These stamps will be available for sale in 1999. For every 3 months, beginning in February 1998 until the year 2000 the public will be voting on their favorite subject by filling out and mailing in paper ballots. The next voting for the 1970s begins in September 1998. Voting for the 1980s and 1990s will take place over the next year.

Observation

Postal Service Handbooks do not provide guidance to staff on ballot distribution for the CTC program

We spoke with the Stamp Services headquarters staff to determine if carriers were indeed required to deliver these ballots. We were informed that these ballots were not intended to be delivered but were intended to be placed in post office lobbies for pickup by postal patrons interested in voting for their favorite stamps.

The Postal Service employee instructions for CTC were outlined in the "Employee Guide Book for Celebrate the Century." However, Postal Service staff stated that it does not address ballot distribution. Furthermore, this guidebook was only circulated to all post offices, stations and branches and was not disseminated to contract stations (e.g. retail postal services offered in contract locations).

We contacted Postal Service officials to identify any mail instruction handbooks that address ballot distribution. According to Postal Service officials, the only references they could locate were in Handbook M-41, Manual City Delivery Carriers Duties and Responsibilities, which was issued on March 1, 1998. Section 261.22, Postage Due, of the M-41 Handbook states that:

"All postal employees are expected to protect postal revenue. All postage-due items found in the mail should be brought to the finance window for postage accounting."

Also, Section 131.23 states that:

"When you find in a mail receptacle mailable matter on which postage has not been paid, addressed to, or intended for the person in whose receptacle it is deposited, take the matter to the Post Office for treatment as provided in Section 146.2, Postal Service Manual."

However, neither section specifically addresses ballot distribution.

Postal Service officials also cited Handbook DM-103, Official Mail. Section 341 of the Handbook, issued in February 1998 states that:

"All postal units may use the Postal Service's G-10 permit imprint..."

The G-10 permit imprint allows postal units to mail large volume mailings and individual pieces of outgoing mail. Postal Service staff stated that the CTC ballot did not have the G-10 permit imprint on it nor did it have any other form of postage.

Consequently, Postal Service staff was unable to locate any instruction that specifically referenced ballot distribution.

Stamp Service staff advised that they meet quarterly with postal staff for a CTC update and to promote the program. They believe that it is essential to the success of this newly sponsored 3-year program that the public is aware of and votes on these subjects.

Conclusion

As evidenced by the complaint we received, carriers may be encouraged to incorrectly distribute CTC ballots. Because the CTC program will continue for several years, this issue needs immediate attention to prevent misuse and protect revenue integrity. Postal Service staff was unable to locate any instructions that specifically addressed the distribution of CTC ballots. Therefore, Postal Service management should provide specific guidance to supervisors and carriers to prevent incorrect ballot distribution and to remind all post office employees (including carriers) that delivery of any material without proper postage is prohibited, including ballots to postal customers.

OIG Suggestions

Specifically, we suggest that:

- 1. The “Employee Guide Book Celebrate the Century” should be revised to address ballot distribution to the public.**

Management's Response

The Employee Guidebook for Celebrate the Century will be updated in November 1998, providing explicit instructions regarding the last two voting periods of the program, the 1980s and 1990s. These voting periods will take place respectively in February 1999 and May 1999. At the national meeting in July, management announced the importance of following proper procedures. (Management’s verbatim comments are included in Attachment 1.)

Evaluation of Management's Response

This action will satisfy the intent of our suggestion. We will need confirmation of the revision to the “Employee

Guide Book Celebrate the Century,” when it is issued in November 1998.

- 2. Also, the “Employee Guide Book Celebrate the Century” should be distributed to all offices that contain CTC ballots and handle other promotional material related to this program.**

Management's Response

Contract stations are not participating in the Celebrate the Century program; therefore, they did not receive promotional materials nor ballots.

Additionally, USPS advised Area Stamp and Retail facilitators of this issue and asked them to share this information with their local offices.

Evaluation of Management's Response

Emphasizing the importance of following proper procedures at national meetings and as indicated in the response above is a plausible intermediary solution. We suggest that such communications also be made in writing. Additionally, as soon as the updated guidebook is finalized, management should ensure proper distribution to all affected field offices. This action is needed to fully satisfy our audit suggestion.

We appreciate the cooperation and courtesy extended to our staff while performing this review. If my staff can be of further assistance, please contact [REDACTED], [REDACTED], or me at (703) 248-2300.

Sylvia L. Owens
Assistant Inspector General
for Revenue/Cost Containment

Attachment

cc: [REDACTED]
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Major contributors to this report:

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