



Office of Inspector General | United States Postal Service

Audit Report

Passport Application Acceptance Operations

Report Number 21-056-R21 | August 9, 2021



APPLICATION

PASSPORT



United States
of America

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Highlights

Objective

Our objective was to assess the U.S. Postal Service's passport application acceptance operations and identify opportunities for improvement.

Since 1975, the Postal Service has leveraged its expansive retail network to accept passport applications on behalf of the U.S. Department of State (State Department). The State Department is primarily responsible for nationwide passport services. This includes designating entities to accept passport applications, providing passport information to the public, issuing U.S. passports, and ensuring program integrity. The Postal Service's role is to accept passport applications at designated facilities, ensure all application documents are correct,

“Since 1975, the Postal Service has leveraged its expansive retail network to accept passport applications on behalf of the U.S. Department of State.”

and submit documents to the State Department. The Postal Service and State Department have an interagency agreement that governs passport acceptance.

As of December 2020, the Postal Service had over 31,000 retail

offices, of which 4,834 processed passport applications. During fiscal year (FY) 2020, the Postal Service processed approximately 4.4 million first-time passport applications, generating \$197.3 million in acceptance and photo fee revenue. Compared to FY 2019, this was a 34 percent decline in volume and \$101.4 million decline in revenue, both of which were likely attributed to a decrease in international travel during the COVID-19 pandemic.

Due to the pandemic and following safety guidelines, in March 2020, the Postal Service no longer allowed walk-in appointments and began conducting passport transactions by appointment only. Management began to allow walk-in appointments again in May 2021, at the discretion of local facility management.

Customers can schedule appointments through four channels: USPS.com website, customer care phone line, self-service kiosks, or in-person at a post office. Scheduled appointments are recorded in the Retail Customer Appointment Scheduler (Scheduler). Postal Service retail employees and supervisors view and manage upcoming appointments through the internal *My Post Office* application. Appointments are also monitored by Postal Service Headquarters staff using the “Passport Dashboard.” Prior to the implementation of the Scheduler in 2017, a customer had to call or visit a post office to schedule an appointment.

Findings

Passport application acceptance operations nationwide were generally compliant with State Department standards. However, the Postal Service has opportunities to improve program quality and effectiveness related to appointment scheduling, data accuracy, coordination with State Department stakeholders, and performance goals. Specifically:

- **Appointment Scheduling Irregularities:** We identified several instances where large numbers of passport appointments were unused, altered, or improperly scheduled by employees. For example, a customer used the same email address to reserve 629 appointments at a passport site and utilized just one of the appointments. The customer cancelled 613 of those appointments, on average, two days before the appointment dates and did not cancel the remaining 15. In other instances, we noted Postal Service employees improperly blocked appointment times or used an incorrect email format when reserving appointments on behalf of customers. These issues occurred because the Postal Service did not have mechanisms in place to prevent and detect these practices. While these instances represent less than 1 percent of total passport appointments, unavailability of appointments could negatively impact customer satisfaction and perception of the Postal Service's brand.
- **Reconciliation and Appointment Data Accuracy:** OIG analysis noted that completed appointments in the Scheduler did not reconcile with passport data recorded in the Retail Systems Software (Retail System). From October 2020 to March 2021, there were 491,248 discrepancies between appointments

marked “complete” in the Scheduler compared to the number of transactions recorded in the Retail System, a difference of 19.8 percent. This occurred because supervisors did not correctly record the completion of appointments in the Scheduler and the two systems do not interface. Management stated they plan to implement a system interface in FY 2022. However, until this is in place, there is reduced assurance that data is accurate.

- **Coordination with State Department Stakeholders:** The Postal Service could benefit from insights contained in additional State Department reports. We identified at least four pertinent reports that could provide management with additional insight in identifying areas of improvement. The reports include instances of suspended passport applications due to Postal Service agent error, occasions where transmittals of applications to the State Department may not have been prepared correctly, and two reports related to customer complaints. Postal Service management was not aware of the reports but was interested in receiving them based on our discussions. The additional reports could enable the Postal Service to better monitor operations, improve service, and enhance the customer experience.
- **Program Performance Measurement:** The Postal Service’s performance goals for the passports program could be improved to measure and drive desired outcomes. For example, management monitors blocked appointments in a Passport Dashboard, but there is no goal to determine an acceptable number of occurrences. Management stated that the current program review mechanisms, although lacking documented and established goals in some aspects, were sufficient to evaluate program performance. However,

not having measured and documented performance goals could limit management’s ability to identify areas in need of improvement, measure overall program performance, and grow the program.

During our audit work, we noted the Postal Service’s technology, both currently used and in development, could enhance passport acceptance operations as well as other services the Postal Service may consider offering. Such technology, including biometric fingerprinting for identity checks, is currently offered at select post offices as part of a pilot program. We encourage the Postal Service to explore these options to enhance the customer experience and facilitate operations for other government services.

Recommendations

We recommended the Vice President, Retail and Post Office Operations:

- Consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments.
- Reinforce procedures to record the correct appointment outcome in the *My Post Office* application until an automated system interface is established.
- Coordinate with State Department stakeholders to explore opportunities for sharing information that could improve passport operations.
- Enhance performance metrics to include clearly defined measures and goals to better evaluate program performance and drive growth.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 9, 2021

MEMORANDUM FOR: ANGELA H. CURTIS
VICE PRESIDENT, RETAIL AND POST OFFICE
OPERATIONS

A handwritten signature in black ink, reading "Amanda H. Stafford", is positioned above the typed name in the "FROM:" field.

FROM: Amanda H. Stafford
Deputy Assistant Inspector General
for Retail, Delivery & Marketing

SUBJECT: Audit Report –Passport Application Acceptance Operations
(Report Number 21-056-R21)

This report presents the results of our audit of U.S. Postal Service passport application acceptance operations.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Janet Sorensen, Director, Sales, Marketing & International, or me at 703-248-2100.

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of nationwide passport application acceptance operations (Project Number 21-056). Our objective was to assess the U.S. Postal Service's passport application acceptance operations and identify opportunities for improvement. See [Appendix A](#) for additional information about this audit.

Background

Since 1975, the Postal Service has leveraged its expansive retail network to accept passport applications on behalf of the U.S. Department of State (State Department). The State Department is primarily responsible for nationwide passport services. This includes designating entities to accept passport applications, providing passport information to the public, issuing U.S. passports, and ensuring program integrity. The Postal Service's role is to accept passport applications at designated facilities, ensure all documents needed to process applications are correct, and then submit those documents to the State Department. The Postal Service and State Department have an interagency agreement that governs passport acceptance.

As of December 2020, the Postal Service had over 31,000 retail offices, of which 4,834 processed passport applications. During fiscal year (FY) 2020, the Postal Service processed approximately 4.4 million first-time passport applications, generating \$197.3 million in acceptance and photo fee revenue. This

“The Postal Service and State Department have an interagency agreement that governs passport acceptance.”

was a 34 percent decline from FY 2019, during which the agency processed 6.6 million first-time applications and generated \$298.6 million in passport-related revenue. The decline of 2.3 million applications and \$101.4 million in revenue was likely attributed to a decrease of international travel during the COVID-19 pandemic.

Due to the pandemic and following safety guidelines, on March 25, 2020, the Postal Service no longer allowed walk-in appointments and began conducting passport transactions by appointment only. Management began to allow walk-in appointments again in May 2021, at the discretion of local facility management.

Customers can schedule appointments through four channels: USPS.com website, customer care phone line, self-service kiosks, or in-person at a post office. Scheduled appointments are recorded in the Retail Customer Appointment Scheduler (Scheduler). Postal Service retail employees and supervisors view and manage upcoming appointments through the internal *My Post Office* application.¹ Appointments are also monitored by Postal Service Headquarters staff using the “Passport Dashboard.” Prior to the implementation of the Scheduler in 2017, when a customer needed an appointment, they had to call or visit the office and the office would manually record the appointment information.

The Passport Dashboard classifies appointments into six categories:

- **Scheduled** – Customer schedules an appointment.
- **Closed** – Postal Service employee indicates the passport transaction was completed, the customer did not arrive, the customer had incomplete documents, or the customer had a renewal passport application.
- **Cancelled** – Customer cancels a standing appointment.
- **Declined** – Postal Service employee cancels a standing appointment.
- **Blocked** – Postal Service employee marks a future timeframe unavailable for appointments.
- **Past due** – Postal Service employee did not close out a scheduled appointment on the same day of that appointment.

To manage appointments at acceptance facilities, the passport supervisor logs into *My Post Office* each morning and prints the passport appointment schedule for the day. Passport agents mark the printed schedule throughout

¹ *My Post Office* is the internal web application used by local post office supervisors to manage retail and delivery tasks, such as passport appointments and pickup requests from residential customers.

the day to track the outcome of their appointments using the following four categories: completed, rescheduled-incomplete documents, renewal customer, or cancelled-no show. At the end of the day, passport supervisors use the written information from the agents' printed schedules and enter the reported appointment outcomes into the online *My Post Office* application. Passport supervisors can also use *My Post Office* to block or decline passport appointments, with approval. The State Department's Office of Acceptance Facility Oversight performs inspections of all passport acceptance facilities nationwide, including Postal Service facilities. Their office also coordinates with Postal Service management and provides periodic reports of nationwide inspection results.

Findings Summary

Passport application acceptance operations nationwide were generally compliant with State Department standards. However, the Postal Service has opportunities to improve program quality and effectiveness related to appointment scheduling, data accuracy, coordination with State Department stakeholders, and performance goals for the passport program.

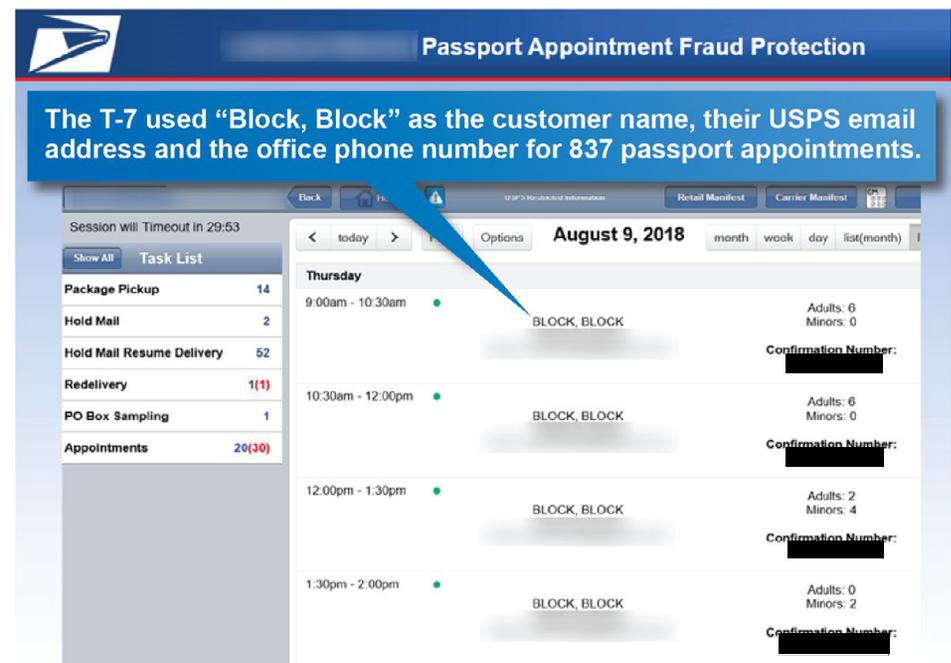
Finding #1: Appointment Scheduling Irregularities

We analyzed appointment data from October 2020 to March 2021 and identified several instances where large numbers of passport appointments were unused, altered, or scheduled by employees using improper procedures. Specific examples of irregularities included:

- A customer used the same email address to reserve 629 appointments at a passport site and utilized just one of the appointments. The customer cancelled 613 of the appointments, on average, two days before the appointment dates and did not cancel the remaining 15.
- A postal employee at one post office reserved 544 appointments using a personal email address to prevent customers from scheduling appointments during employee breaks.

- We identified postal employees using an incorrect email format when reserving appointments on behalf of customers at four sites. Employees are required to use an email format zipcodecity@usps.gov. Rather, postal employees were using fictitious email addresses, such as 123@gmail.com.
- An internal Postal Service presentation, dated October 2018, documented a situation whereby a postal employee was able to reserve 837 appointments using the customer's name as "Block Block" (see Figure 1).

Figure 1. Postal Service Passport Appointment Fraud Presentation



Source: U.S. Postal Service Office of Inspector General (OIG) screenshot of Postal Service "Passport Appointment Fraud" presentation, dated October 2018.

The Scheduler is intended to assist users with reserving passport appointments up to four weeks in advance. Postal Service policy indicates that employees should enter their site-specific generic email address when scheduling appointments for customers without contact information.² When employees use

² "USPS Retail Customer Appointment Scheduler Training" presentation, August 29, 2017.

improper email formats, it is difficult to determine the legitimacy of appointments based on data alone.

These issues occurred because the Postal Service did not have mechanisms in place to prevent users from booking large numbers of appointments and to detect and alert postal management of these instances. In our test of the system, we noted we were able to reserve 32 appointments during two days at one facility using the same email address. Subsequently, we could alter the appointment information to display the name and contact information of another person.

Without greater controls over appointment scheduling, there could be reduced availability of appointments for customers. For example, a customer complained they were unable to reserve an appointment at a nearby passport site. Their only option to obtain an appointment at an area postal facility was to contact a local business that would charge an additional fee. While these instances represent less than 1 percent of total passport appointments, the unavailability of appointments could negatively impact customer satisfaction and perception of the Postal Service and its brand.

Recommendation #1

We recommend the **Vice President, Retail and Post Office Operations**, consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments.

Finding #2: Reconciliation and Appointment Data Accuracy

Completed passport appointments in the Scheduler did not reconcile with passport data recorded in the Retail Systems Software (Retail System), the system used for recording the passport transactions and fees.³ We analyzed data from October 2020 to March 2021 and noted 2,971,352 completed appointments in the Scheduler. However, the revenue recorded in the Retail System

identified only 2,480,104 transactions, a difference of 491,248 appointments (19.8 percent).⁴

This occurred because supervisors did not correctly record the completion of appointments in the Scheduler. Supervisors marked most appointments “complete” without validation, instead of recording the actual appointment outcomes. We also noted that agents did not track appointment outcomes on the printed sheet throughout the day at the station with the largest discrepancy reported. Rather, employees should have recorded appointments not complete as either renewal, incomplete documents, or no show (see Figure 2).

In addition, there is no automated interface between the Scheduler and Retail System. Management stated they plan to implement an interface between the two systems in FY 2022.

Figure 2. Scheduler Appointments Schedule

Passport Appointments for Monday, June 21, 2021		
10:00am - 10:15am SCHEDULED *Photo Services Completion Status <input type="checkbox"/> Completed <input type="checkbox"/> Rescheduled - Incomplete Documents <input type="checkbox"/> Renewal Customer <input type="checkbox"/> Cancelled - No Show	LAST, FIRST Confirmation Number: [REDACTED] Adults: 1 Minors: 0	Comments:
10:15am - 10:30am SCHEDULED *Photo Services Completion Status <input type="checkbox"/> Completed <input type="checkbox"/> Rescheduled - Incomplete Documents <input type="checkbox"/> Renewal Customer <input type="checkbox"/> Cancelled - No Show		
10:30am - 11:00am SCHEDULED *Photo Services Completion Status <input type="checkbox"/> Completed <input type="checkbox"/> Rescheduled - Incomplete Documents <input type="checkbox"/> Renewal Customer <input type="checkbox"/> Cancelled - No Show	LAST, FIRST Confirmation Number: [REDACTED] Adults: 1 Minors: 1	Comments:

If the appointment was not completed, agents should mark either **Renewal Customer**, **Rescheduled - Incomplete Documents**, or **Cancelled - No Show**.

Source: OIG screenshot of My Post Office.

Postal Service procedures emphasize the importance of recording appointment dispositions accurately.⁵ Further, Government Accountability Office standards also state management should design control activities to ensure all transactions are

³ When an appointment is marked complete in the Scheduler, the post office should collect a \$35 fee in the Retail System to record the transaction (revenue).

⁴ Appointments counted as the number of adults/minors listed in the appointment information.

⁵ Standard Work Instruction: USPS Retail Customer Appointment Scheduler – *My Post Office*.

accurately recorded.⁶ Until the automated interface is operational, it is important for Postal Service employees to accurately record appointment outcomes in the Scheduler system in *My Post Office*. Without doing so, there is reduced assurance that data was accurate, revenue was collected, and management had oversight of passport operations.

Recommendation #2

We recommend the **Vice President, Retail and Post Office Operations**, reinforce procedures to record the correct appointment outcome in the *My Post Office* application until an automated system interface is established.

Finding #3: Coordination with State Department Stakeholders

The Postal Service could benefit from insights in additional State Department reports. We identified at least four reports containing granular information that could provide management with additional insight in identifying areas of improvement. The reports include instances of suspended passport applications due to Postal Service agent error, occasions where transmittals of applications to the State Department may not have been prepared correctly, and two reports related to customer complaints.

The passport interagency agreement requires the State Department to supply all information needed by the Postal Service on an ongoing and timely basis. Officials at both agencies expressed interest in meeting during Fall 2021 to discuss future opportunities to share information.

Postal Service management was not aware of these reports but was interested in receiving them based on our discussions. The additional reports could enable the Postal Service to better monitor operations, improve service, and elevate the customer experience.

Recommendation #3

We recommend the **Vice President, Retail and Post Office Operations**, coordinate with State Department stakeholders to explore opportunities for sharing information that could improve passport operations.

Finding #4: Program Performance Measurement

The Postal Service's performance goals over the passport program could be improved to measure and drive desired outcomes. Specifically, management lacked measurable performance targets for appointment metrics, including blocked and declined appointments, and market share growth. For example:

- **Blocked Appointments.** Management monitors blocked appointments in a Passport Dashboard, but there is no specific goal to determine an acceptable number of occurrences.
- **Declined Appointments.** Although management monitors data related to the percentage of total appointments declined in a customized weekly report, there is no specific goal to determine an acceptable percentage of appointments declined.
- **Market Share.** Management calculates the number of first-time applications the Postal Service processes compared to other government acceptance facilities, such as county courthouses or municipal buildings. However, there is no goal or plan on how to increase their market share.

Further, while headquarters management sent an email informally outlining the metrics and goals they use to monitor program performance, there is no documented plan defining each goal and how to measure success. For example, the email stated the metric for revenue is to compare to plan and same-period-last-year data with no additional information or goal to drive performance.

Government best practice states that to improve program performance, agencies should implement measurable and clearly defined goals and plans for achieving those goals.⁷ A Postal Service best practice states that established performance goals should be documented in a plan that expresses such goals in an objective,

⁶ Government Accountability Office *Standards for Internal Control in the Federal Government*, Accurate and Timely Recording of Transactions, page 48.

⁷ Executive Order 13450 (November 13, 2007), "Improving Government Program Performance", Section 3.

“Better aligned and documented goals could not only help the Postal Service measure the passport program’s success but could help effectively evaluate the agency’s ability to offer additional government services.”

quantifiable, and measurable form.⁸ Another postal best practice is to develop an overall report, such as a scorecard, that compiles performance metrics to evaluate program effectiveness.⁹

Management stated that the current program review mechanisms, although lacking documented and established goals in some aspects, were sufficient to evaluate program performance. However, not having measured and documented performance goals could limit management’s ability to identify areas in need of improvement, measure overall program performance, and grow the program. Given the Postal Service’s plans to partner with all levels of

government to offer additional services as outlined in *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Stability and Service Excellence*, better aligned and documented goals could not only help the Postal Service measure the passport program’s success but could help effectively evaluate the agency’s ability to offer additional government services.

Recommendation #4

We recommend the **Vice President, Retail and Post Office Operations**, enhance performance metrics to include clearly defined measures and goals to better evaluate program performance and drive growth.

Other Matters

During our audit work, we noted the Postal Service’s technology, both currently used and in development, could enhance passport acceptance operations as

well as other services the Postal Service may consider offering. Such technology, including biometric fingerprinting for identity checks, is currently offered at select post offices as part of a pilot program. In addition, the Postal Service could utilize its current Priority Mail tracking capabilities to enhance the passport customer experience.

Biometric Fingerprinting

Since 2018, the Postal Service has worked with the Federal Bureau of Investigation to offer fingerprinting services at select post offices. As part of the program, customers can go to a participating post office to get their fingerprints taken for an identity history summary check (IdHSC), which is required for adoptions, visas, and other purposes. While biometric fingerprints are not currently used or required on U.S. passports, the technology is increasingly used to verify identity for other government and private-sector services.

Currently, to submit a passport application, individuals must provide proof of citizenship and one form of primary identification, such as an old passport, a driver’s license, or a naturalization certificate. If the primary identification is not available, then at least two forms of secondary identification are needed, such as a social security card or a work identification card. There is potential to use biometric identity verification instead of traditional identification methods for passport services. While this would be difficult without the implementation of a national biometric identification system, the use of fingerprinting technology to authenticate user identity could improve efficiency of the passports program and could be considered in the development of future services, as the Postal Service plans on expanding their identity service offerings.¹⁰

Tracking

Currently, Postal Service policy encourages clerks to offer passport customers the option to have their passport applications sent from the post office to the State Department via Priority Mail Express shipping. Doing so provides customers not only expedited delivery but also the ability to track their passport applications. If the customer decides not to pay for the expedited service and tracking, then

⁸ 39 U.S. Code § 2803, Performance Plans.

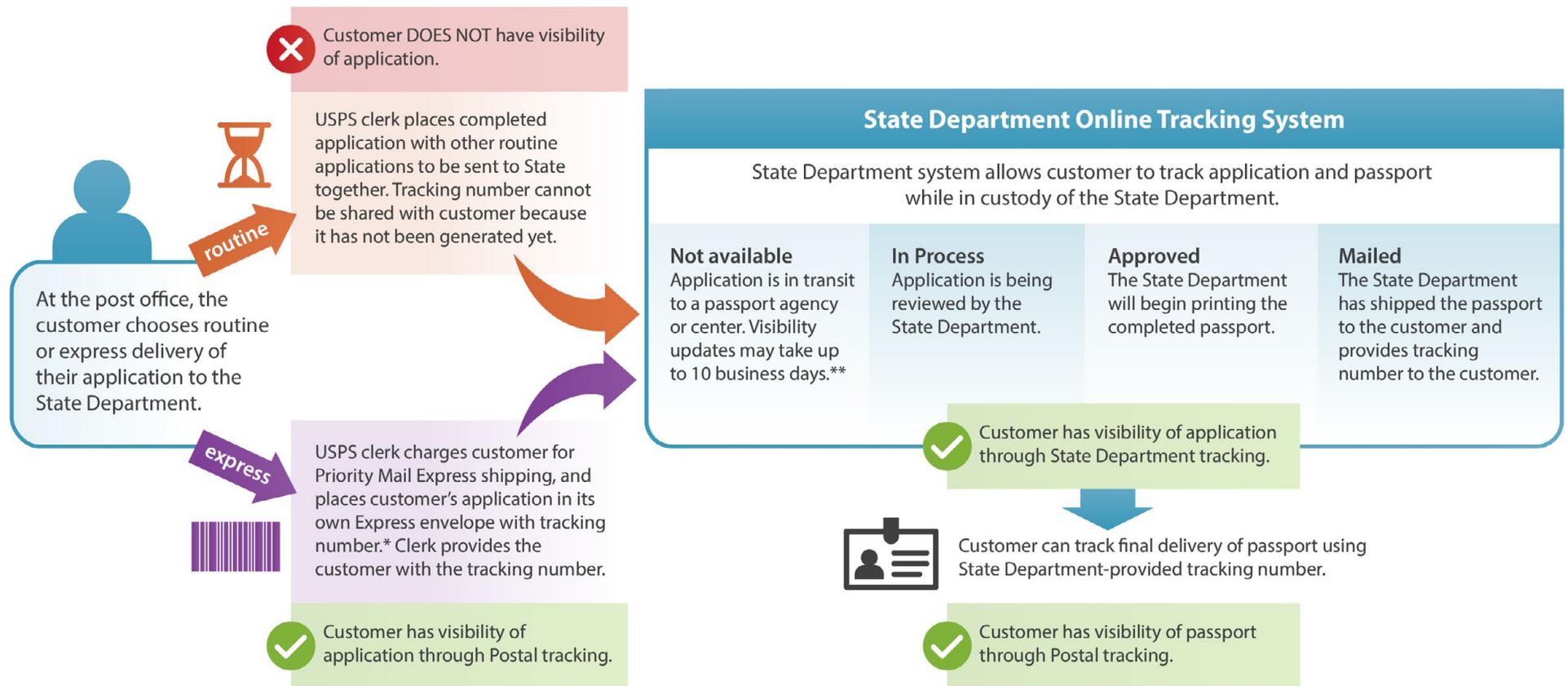
⁹ U.S. Postal Service National Performance Assessment.

¹⁰ *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Stability and Service Excellence*, Expand Public Trust Services, page 35.

the passport application is sent from the post office to the State Department using Priority Mail. Priority Mail has a tracking number assigned free of charge. However, the Postal Service does not provide the tracking number to the customer because it is typically generated after the customer has left. As a result,

the passport customer will not have visibility as to the status of their package until the State Department receives and begins to process the application. Prior to the COVID-19 pandemic, this lack of visibility was as long as 10 business days, and as long as six weeks during the pandemic (see Figure 3).

Figure 3. Customer Visibility of their Passport Application



* Express Mail service procedures allow for individual Express Mail service for one or more passport applications per one customer visit to the Post Office (for example, a family will pay for just one Express Mail transaction to mail all of the family's applications).

**During the COVID-19 pandemic, this timeframe has increased up to six weeks.

Source: OIG analysis of Postal and State Department passport application tracking processes.

During our audit, State Department officials expressed concerns about recent delivery delays of passport applications. In 2017, Summit Research studied the passport application and renewal process for the Postal Service and determined passport customers were interested in the ability to track their applications online. Because package tracking is available with Priority Mail, there is potential to fill this visibility gap in the passport application tracking process.

The OIG has not reviewed the value of these services to customers or their impact on branding. While we are not making a recommendation related to technology, we encourage the Postal Service to explore these options to enhance the customer experience and facilitate operations for other government services.

Management's Comments

Management generally agreed with the findings and recommendations. However, management noted concerns regarding the audit scope period and the appointment scheduling tool. Specifically, management noted the audit scope period was during the COVID-19 pandemic and the report did not acknowledge the heroic efforts of the passport agents and the successful applications they processed. Management also commented that the report did not reflect the significance and convenience of the passport scheduling tool.

Regarding Recommendation 1, management agreed and will consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments. In subsequent correspondence, management provided a target implementation date of August 1, 2022.

Regarding Recommendation 2, management agreed and will reinforce procedures to improve efficiency and accuracy in the interim of any future enhancements to the interfacing between the Scheduler and MyPO. The target implementation date is March 31, 2022.

Regarding Recommendation 3, management agreed and will continue to follow Department of State policies and explore additional opportunities for sharing information that would benefit passport operations. The target implementation date is March 31, 2022.

Regarding Recommendation 4, management agreed and will further define and articulate metrics to better measure targets and performance of Passport Program Office goals. The target implementation date is March 31, 2022.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report. Regarding management's comments on the report scope and context, we too recognize the vital role all Postal Service employees played during the COVID-19 pandemic, including passport agents, letter carriers, and mail handlers, and commend them for their continued service. We recognize management's additional context regarding the development of the scheduling tool and note that the Background section of our report addresses implementation of the tool and the manual process required to schedule an appointment prior to deploying the Scheduler.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 through 4 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our objective was to assess the Postal Service's passport application acceptance operations and identify opportunities for improvement. The scope of the project was nationwide passport application acceptance operations during FY 2021. To accomplish our objective, we:

- Reviewed Postal Service policies, procedures, responsibilities, and communications related to passport application acceptance operations.
- Reviewed contractor studies of customer satisfaction and desires related to the Postal Service's passport application acceptance operations.
- Reviewed the passports interagency agreement between the Postal Service and State Department.
- Randomly selected and sent surveys to 310 passport application acceptance units to collect information and assess program compliance against State Department passport standards. We received 219 responses. Most supervisors responded that they were in compliance with passport acceptance standards, had adequate staffing, passport forms were current, and transmittal forms were kept onsite for the required holding periods.
- Collected and analyzed data from Retail Customer Appointment Scheduler, the U.S. State Department, and the Postal Service Accounting Data Mart.
- Analyzed key passport operational data, including Scheduler appointments information and market share calculations.
- Interviewed Postal Service Headquarters passport program management.

- Interviewed State Department passport program officials.
- Judgmentally selected and interviewed Postal Service passport acceptance facility supervisors and staff about State Department reports, reoccurring contact information in scheduling data, and appointment close-out procedures.
- Conducted internet research of best practices related to scheduling systems and other emerging technology related to passport operations.
- Reviewed past OIG work related to passport operations and Government Accountability Office guidance related to internal control practices.

We conducted this performance audit from February through August 2021 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 19, 2021 and included their comments where appropriate.

We assessed the reliability of Scheduler and Accounting Data Mart data by testing its completeness and accuracy, and through discussions with Postal Service officials. We determined that the data were sufficiently reliable for the purposes of this report.

Appendix B: Management's Comments

Elvin Mercado
Vice President, Retail and Post Office Operations



August 4, 2021

JOSEPH WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Management Response: Passport Application Acceptance Operations
(Report Number DR 21-056)

This letter is in response to Audit: Passport Application Acceptance Operations –
Report Number DR 21-056.

Postal Management would like to thank the Office of Inspector General (OIG) for the opportunity to address the findings related to the Draft Report. It appreciates the fact that the OIG acknowledged the Passport application operation as being generally compliant with Department of State standards. Management does however, have several concerns it would like noted with this response.

Postal Management questioned why the OIG opted to use March 2020 thru December 2020 as its data source to evaluate revenue and transaction performance – knowing that the results would most certainly be skewed as the result of the COVID-19 pandemic. The report calls out that USPS Passport application volumes had declined by as much as 34% compared to the prior year. However, the draft failed to give due credit to the heroic efforts of Postal Passport Agents during this extreme period or fully acknowledge the 4.4 million first-time passport applications accepted in 2020 with no significant interruption in service to the American public - even when international travel had been banned, staffing was compromised and almost all non-postal Passport Acceptance Facilities had locked their doors.

Furthermore, while the OIG acknowledged the 2017 implementation of the USPS Retail Customer Appointment Scheduler (RCAS) – Postal Management was disappointed that the report did not fully recognize the significance of this tool or the extent of convenience it provides for customers. Prior to its implementation - customers had to call or physically visit a post office to schedule a passport appointment. RCAS now gives customers an online option to schedule passport appointments at almost 5,000 USPS Passport Acceptance Facilities up to 28 days in advance. While this option was no small feat in terms of technology and scope - with tens of millions of customers using the scheduling tool – the accomplishment was limited to just a few short sentences in the "Highlights" portion of the draft. The report does elaborate on "Appointment Irregularities" found with the tool however, but later goes on to note that the irregularities were anomalies that - when put into perspective – were less than 1 percent of the total passport appointments. By most industry standards, a 99%+ credibility rating would not be considered a lapse in performance.

Postal Management understands there are always areas for improvement and is most receptive to addressing deficits when identified and streamlining practices to maintain the integrity of passport acceptance processes. It values its relationship with the Department of State in accepting passport applications from the American public and will continue to monitor performance and explore opportunities to implement enhancements that support those already in place.

Recommendation [1]:

We recommend the Vice President, Retail and Post Office Operations, consider developing automated mechanisms to detect and alert management of potentially invalid or improper appointments.

Management Response/Action Plan: Management Agrees

While the USPS Passport Program Office already has a complex dashboard and applications in place used to detect and alert Management of potentially invalid or improper appointment, it will consider developing automated mechanisms to support the current processes.

Target Implementation Date:

September 30, 2022

Responsible Official:

Manager, Retail and PO Operations Policy and Practices
Retail and Post Office Operations

Recommendation [2]:

We recommend the Vice President, Retail and Post Office Operations, reinforce procedures to record the correct appointment outcome in the *My Post Office* application until an automated system interface is established.

Management Response/Action Plan: Management Agrees

Postal Management continually monitors the accurate closing of all passport appointments through the RCAS Dashboard and the My Post Office application. Both technology platforms have undergone numerous enhancements since the inception of the scheduling tool. Management will reinforce those procedures to improve efficiency and accuracy in the interim of any future enhancements.

Target Implementation Date:

March 31, 2022

Responsible Official:

Manager, Retail and PO Operations Policy and Practices
Retail and Post Office Operations

Recommendation [3]:

We recommend the Vice President, Retail and Post Office Operations, coordinate with State Department stakeholders to explore opportunities for sharing information that could improve passport operations.

Management Response/Action Plan: Management agrees.

USPS Management values its inter-agency relationship with the Department of State and the acceptance of Passport Applications from the American public. All USPS Passport Agents must meet DOS guidelines and require annual certification to qualify. The Department of State conducts periodic audits at USPS Passport Acceptance Facilities to ensure compliance and both agencies meet quarterly to address outstanding issues or concerns. Postal Management will continue to follow Department of State policies and explore additional opportunities for sharing information that would benefit passport operations.

Target Implementation Date:

March 31, 2022

Responsible Official:

Manager, Retail and PO Operations Policy and Practices
Retail and Post Office Operations

Recommendation [4]:

We recommend the Vice President, Retail and Post Office Operations, enhance performance metrics to include clearly defined measures and goals to better evaluate program performance and drive growth.

Management Response/Action Plan: Management Agrees

Postal Management is reliant on a variety of metrics used to define and measure against performance targets - including a series of complex dashboards, DOS oversight reports and revenue applications. The HQ-Passport Program Office will further define and articulate those metrics to better measure targets and performance to goal.

Target Implementation Date:

March 31, 2022

Responsible Official:

Manager, Retail and PO Operations Policy and Practices
Retail and Post Office Operations

 E-SIGNED by Elvin Mercado
on 2021-08-04 14:45:29 CDT

Elvin Mercado
Vice President, Retail and Post Office Operations

cc: *Manager, Corporate Audit Response Management*

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GENERAL**
UNITED STATES POSTAL SERVICE

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