

Processing and Delivery of Veterans Affairs Medicine

AUDIT REPORT

Report Number 23-137-R24 | December 15, 2023



Table of Contents

Cover

Highlights	1
Background	1
What We Did	1
What We Found	1
Recommendations	1

Transmittal Letter	2
---------------------------------	---

Results	3
----------------------	---

Introduction/Objective.....	3
-----------------------------	---

Background	3
------------------	---

Processing VA Pharmacy Packages	3
---------------------------------------	---

Delayed or Missing VA Pharmacy Packages.....	5
--	---

Damaged or Undeliverable VA Pharmacy Packages	5
---	---

Findings Summary	6
------------------------	---

Finding #1: Damaged Medication Packages and Medication Found Loose in the Mail	6
---	---

Recommendation #1	7
-------------------------	---

Finding #2: Inconsistent and Inaccurate Scanning.....	7
---	---

Priority Mail Open and Distribute Scans	7
---	---

Package Delivery Scans	7
------------------------------	---

Recommendation #2	8
-------------------------	---

Recommendation #3.....	8
------------------------	---

Looking Forward.....	8
----------------------	---

Management’s Comments.....	8
----------------------------	---

Evaluation of Management’s Comments.....	9
--	---

Appendices	10
-------------------------	----

Appendix A: Additional Information.....	11
---	----

Scope and Methodology	11
-----------------------------	----

Prior Audit Coverage	12
----------------------------	----

Appendix B: Management’s Comments	13
---	----

Contact Information	16
----------------------------------	----

Highlights

Background

The U.S. Postal Service provides a critical service to the American public by delivering essential items such as prescription medications and medical supplies. U.S. Veterans depend on this critical service for reliable and timely delivery of their medications. According to the U.S. Department of Veterans Affairs, over 330,000 Veterans receive a prescription in the mail each workday. These prescriptions are fulfilled by a U.S. Department of Veterans Affairs Consolidated Mail Outpatient Pharmacy. Packages shipped using the Postal Service accounted for approximately [REDACTED] percent of the VA Pharmacy medication packages shipped in fiscal year (FY) 2022. The Postal Service emphasizes the importance of accurate scanning as a measure of success for how well they deliver for their customers. From June 1, 2022, through June 30, 2023, the Postal Service processed and delivered more than [REDACTED] VA Pharmacy packages, achieving a [REDACTED] percent on-time delivery score.

What We Did

Our objective was to assess the Postal Service's processing and delivery of Veterans Affairs Consolidated Mail Outpatient Pharmacy medications. We interviewed Postal Service management, obtained and analyzed Postal Service data, and visited Veterans Affairs Consolidated Mail Outpatient Pharmacy and third-party shipper locations to observe operations. Additionally, we judgmentally selected and visited 14 Postal Service facilities where we interviewed local management and employees and observed processing and delivery practices for medication packages.

What We Found

We found that while the Postal Service processed and delivered a large majority of the VA Pharmacy packages on time, the processing facilities visited did not always handle damaged medication packages or medication found loose in the mail as required by policy. In addition, we found Postal Service employees did not always accurately scan Priority Mail shipments and Veterans Affairs Consolidated Mail Outpatient Pharmacy packages processed and delivered through the Postal Service network.

Recommendations

We recommended management develop and implement recurring training for handling damaged medication packages and medication found loose in the mail; develop and implement a process to review scanning performance; provide recurring training to employees responsible for conducting the scans and enforce compliance with scanning requirements; and develop and implement a control to prevent improper duplicate "Delivered" scans on the same package.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

December 15, 2023

MEMORANDUM FOR: DANE COLEMAN
VICE PRESIDENT, PROCESSING AND MAINTENANCE OPERATIONS

ELVIN MERCADO
VICE PRESIDENT, RETAIL & POST OFFICE OPERATIONS

SCOTT BOMBAUGH
CHIEF TECHNOLOGY OFFICER AND EXECUTIVE VICE PRESIDENT

Mary H. Lloyd

FROM: Mary Lloyd
Deputy Assistant Inspector General
for Mission Operations

SUBJECT: Audit Report – Processing and Delivery of Veterans Affairs Medicine
(Report Number 23-137-R24)

This report presents the results of our audit of Processing and Delivery of Veterans Affairs Medicine.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Jessica Schwersenska, Director, Delivery Operations, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management
Jacqueline Krage Strako

Results

Introduction/Objective

This report presents the results of our self-initiated audit of Processing and Delivery of Veterans Affairs Medicine (Project Number 23-137). Our objective was to assess the Postal Service’s processing and delivery of Veterans Affairs Consolidated Mail Outpatient Pharmacy medications. See [Appendix A](#) for additional information about this audit.

Background

The U.S. Postal Service provides a critical service to the American public by delivering essential items such as prescription medications and medical supplies. U.S. Veterans depend on this critical service for reliable and timely delivery of their medications. According to the U.S. Department of Veterans Affairs, over 330,000 Veterans receive a prescription in the mail each workday. These prescriptions are fulfilled by a U.S. Department of Veterans Affairs Consolidated Mail Outpatient Pharmacy (“VA Pharmacy”).

There are seven VA Pharmacies responsible for fulfilling approximately 80 percent of all prescriptions for Veterans. After fulfilling these prescriptions, the VA Pharmacy selects a delivery service provider and mail class¹ based on medication requirements — such as temperature control and hazardous material handling — and shipping costs. The selected delivery service provider and shipping requirements are embedded in a barcode on the address label affixed by the VA Pharmacy.

The VA Pharmacy uses a third-party shipper (“Consolidator”) to prepare the packages for shipping via the selected delivery service provider. Packages shipped using the Postal Service

accounted for approximately █ percent of the VA Pharmacy medication packages shipped in FY 2022. These packages are sent using various mail classes including Priority Mail,² First Class Package, and Parcel Select Lightweight.³ The Postal Service requires medicines, including controlled substances, to be packaged in a plain outer wrapper with no markings to indicate the nature of the contents.⁴

When processing and handling medications, regardless of packaging requirements, there is potential for mail theft to occur. Specifically, from June 1, 2022, through June 30, 2023, the OIG initiated 16 investigations directly related to VA Pharmacy medications. The investigations resulted in actions including employee removals, a resignation, a letter of warning and a contractor suspension.

Processing VA Pharmacy Packages

The Postal Service processes and delivers packages containing prescription medications and medical supplies in the same manner as all other packages. The Postal Service does not add any special or identifying labels or barcodes to these packages. VA Pharmacy packages are shipped through the Postal Service network using shipping methods available to any mailer and not specific to packages containing prescription medications.

The Consolidator prepares and ships VA Pharmacy packages via the Postal Service network as direct drops⁵ or Priority Mail Open and Distributes⁶ (PMOD). For direct drop shipments, the Consolidator prepares individual packages for induction at the destinating⁷ Postal Service facility according to the selected mail class. The destinating Postal Service facility sorts

“U.S. Veterans depend on the Postal Service for reliable and timely delivery of medications.”

1 The Postal Service divides mail into different services, called “classes.” Each class of mail has different features, service levels, postage prices, and presort requirements.
2 An expedited service for shipping any mailable matter, subject to certain standards such as size and weight limits.
3 On July 10, 2023, the Postal Service replaced First Class Package and Parcel Select Lightweight with USPS Ground Advantage, which offers coast-to-coast 2 to 5-day shipping.
4 Publication 52, *Hazardous, Restricted, and Perishable Mail*, Section 453.4, Packaging and Marking, updated February 9, 2023.
5 The movement of a mailer’s product on private (non-Postal Service) transportation from the point of production to a Postal Service facility located closer to the destination of that product.
6 The use of Priority Mail service to expedite mail of other classes to destination Postal Service facilities.
7 The processing facility where incoming mail arrives for its point of final delivery.

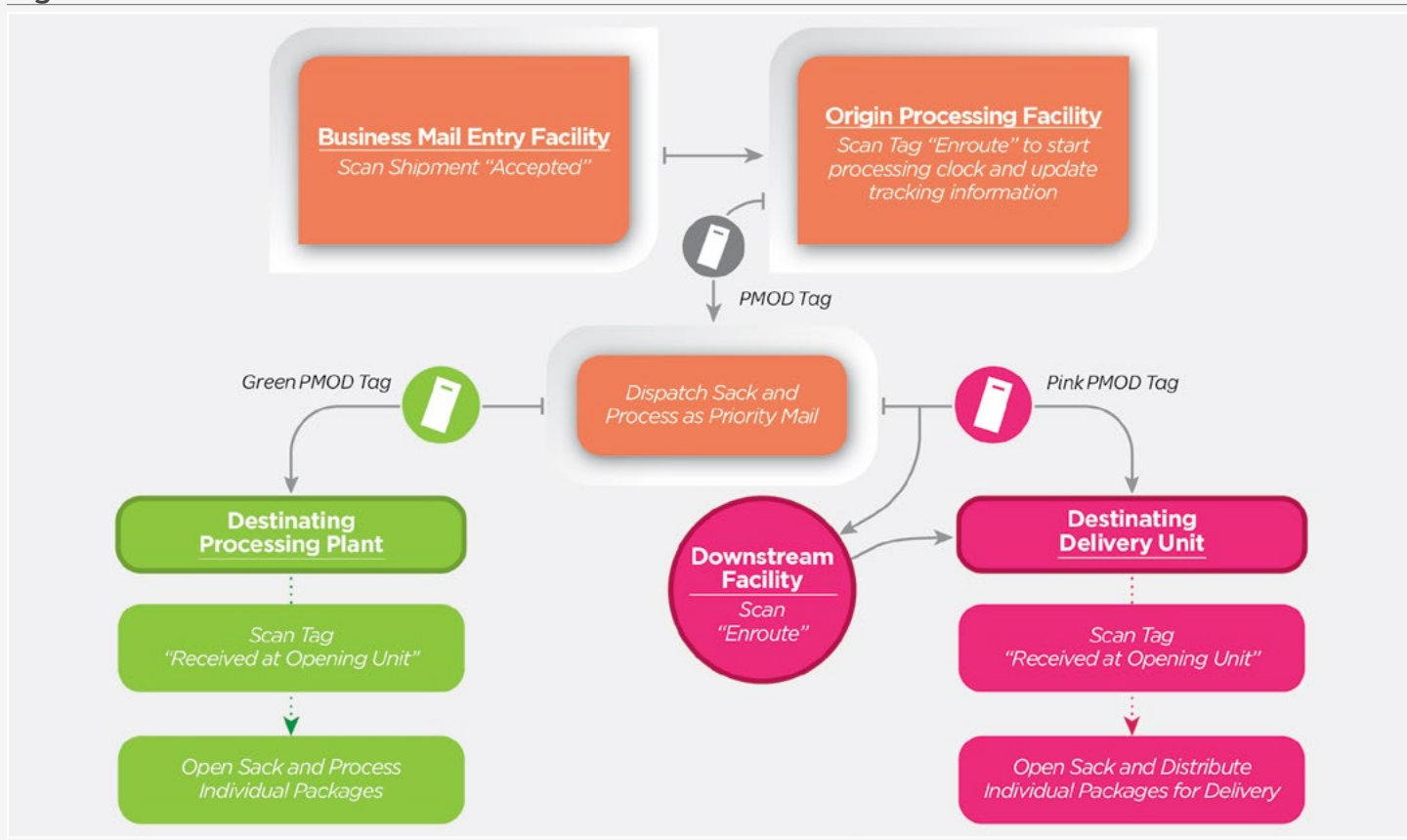
and distributes the packages for delivery to the destination address.

For PMOD shipments, the Consolidator combines all classes of mail packages bound for a single Postal Service facility into a reusable Priority Mail sack⁸ ("sack"). The Consolidator applies a Postal Service PMOD tag⁹ to improve visibility of the sack and designate its processing and opening instructions. The shipment is inducted into the Postal Service network at a business mail entry facility¹⁰ and scanned "Accepted" before being released for processing. To start the processing clock¹¹ and update tracking information, the PMOD tag is then scanned "Enroute." The sack is processed as Priority Mail as it is dispatched to downstream facilities until arrival at the destinating facility.

If the destinating facility is a processing plant,¹² the Consolidator affixes a green PMOD tag to the sack. Upon arrival at the destinating plant, employees scan the green PMOD tag "Received at Opening Unit" and open the sack. The individual contents of the sack are processed and scanned through final delivery like all packages of the same mail class.

If the destinating facility is a delivery unit,¹³ the Consolidator affixes a pink PMOD tag to the sack. During transport to the delivery unit, downstream facilities scan the pink PMOD tag "Enroute" until the sack arrives at the delivery unit for opening. Upon arrival at the delivery unit, employees scan the pink PMOD tag "Received at Opening Unit," open the sack, and immediately distribute the enclosed packages for delivery. See Figure 1 for a flow chart of the PMOD process, and see Figure 2 and Figure 3 for examples of the green and pink PMOD tags, respectively.

Figure 1. PMOD Process Flow Chart



Source: OIG analysis based on PMOD Standard Operating Procedures.

8 A container generally used to transport flat size mail, parcels, and loose pack mail. It is made of sewn fabric (usually nylon, polyester, canvas, or plastic with an opening at one end) and is closed with a draw cord and fastener.
 9 Pink and green tags to specify the sack as Priority Mail Open and Distribute.
 10 A Postal Service facility where mailers present bulk, presorted, and permit mail for acceptance.
 11 Start-the-Clock Day Zero is the date when the clock starts for service performance measurement.
 12 A Postal Service facility where mail is sorted and distributed for dispatch and eventual delivery.
 13 A Postal Service facility that has carriers and mail delivery functions.

Figure 2. Green PMOD Tag – Processing Plant PMOD Sacks



Source: PMOD/PPMOD Training dated August 2018.

Figure 3. Pink PMOD Tag – Delivery Unit PMOD Sacks



Source: PMOD/PPMOD Training dated August 2018.

“Scanning provides consumers and mailers with tracking information and end-to-end visibility of their shipment.”

Postal Service employees must perform scans on all sacks and packages.¹⁴ These scans provide tracking information and end-to-end visibility for consumers and mailers as their shipments move through the Postal Service network. Additionally, to reduce the potential for scanning errors, Postal Service employees must remove all old labels and barcodes from the sacks before reuse.¹⁵

Delayed or Missing VA Pharmacy Packages

The Consolidator provides customer service to the VA Pharmacies by tracking VA Pharmacy packages to their final delivery addresses. If a package has not received its next expected scan within three days, the Consolidator contacts the Postal Service Business Service Network¹⁶ to assist in expediting the medication package to the Veteran. Business Service Network employees use Postal Service resources, reference materials, tools, and databases to investigate the issue, identify the root cause, and determine a resolution. Once the resolution is determined, the Business Service Network employees present it to the Consolidator to ensure their satisfaction and document all actions. The Consolidator shares this resolution with the VA Pharmacy to aid in identifying the cause to mitigate and lessen the potential for a reoccurrence.

Damaged or Undeliverable VA Pharmacy Packages

For the safety and welfare of Postal Service employees and customers, Postal Service employees must adhere to procedures for handling medication packages found damaged or separated from their packaging and loose¹⁷ in the mail. Damaged packages containing medication can be delivered to the destination address if the damage consists of minor holes or tears smaller than a dime. For greater damage, the package is handled according

¹⁴ Processing Operations Management Order 003-21, *Processing Operations Damaged Mail Standard Operating Procedures*, dated January 29, 2021.

¹⁵ Standard Operating Procedure, *MTE Return Handling*, dated April 2021.

¹⁶ A nationwide group of trained specialists that support the largest postal customers and serves as a single point of contact for resolving service issues, providing information, and handling requests.

¹⁷ Material separated from the addressed envelope, container, or wrapper in which it was mailed.

to its mail class, which could specify actions including returning it to the sender or sending it to the Postal Service Mail Recovery Center¹⁸ (“Recovery Center”) for proper disposal.

To protect the sanctity of the mail and customer privacy, Postal Service employees should not open packages unless authorized. If an address label is unreadable and the package is, therefore, undeliverable, employees are required to coordinate return of the package or disposal options with the mailer, if known. Otherwise, the package is required to be sent to the Recovery Center for proper disposal. Further, employees should never attempt to match medication found loose in the mail to packaging, even if they are certain of a correct match. When medication is found loose in the mail, it is required to be sent to the Recovery Center for proper disposal.¹⁹

Findings Summary

While the Postal Service processed and delivered █ percent of the VA Pharmacy packages on time, we found the Processing facilities visited did not always handle damaged medication packages or medication found loose in the mail as required by policy. In addition, Postal Service employees did not always accurately scan PMOD tags and VA Pharmacy packages processed and delivered through the Postal Service network.

Finding #1: Damaged Medication Packages and Medication Found Loose in the Mail

During site visits, we found three of six processing facilities did not handle damaged medication packages or medications found loose in the mail as required by policy. Specifically, we learned practices for processing damaged medication packages and medications found loose in the mail (see Figure 4) included:

- █ destroyed medication from damaged packaging and delivered the empty package to the customer instead of returning it to sender or sending it to the Recovery Center, depending on mail class.

- █ shipped damaged medications packages back to the mailer without regard to mail class.
- █ released medication found loose in the mail directly to customers instead of sending it to the Recovery Center.

Figure 4. Non-Prescription Medications Found Loose in the Mail



Source: OIG photo taken at the █ on September 14, 2023.

This occurred because employees at the processing facilities were unaware of the policy and procedures for handling damaged medication packages or medications found loose in the mail. Additionally, Postal Service Headquarters and local management stated there was no specific training for the handling of damaged medication shipments or for medications found loose in the mail.

When the policy or procedures for handling damaged medication packages or medications found loose in the mail are not adhered to, the safety and welfare of Postal Service employees and customers are at risk. For example, improper handling of VA Pharmacy packages has the potential to cause unnecessary delays in Veterans receiving their medications. These delays could result in missed doses or medication expiring and pose a health risk to Veterans.

¹⁸ A Postal Service facility designated only to receive and attempt to return mail that cannot be delivered or forwarded.

¹⁹ Processing Operations Management Order 003-21, *Processing Operations Damaged Mail Standard Operating Procedures*, dated January 29, 2021.

Recommendation #1

We recommend the **Vice President Processing and Maintenance Operations** develop and implement training, including recurring refresher training for handling damaged medication packages and medication found loose in the mail.

Finding #2: Inconsistent and Inaccurate Scanning

From June 1, 2022, through June 30, 2023, the Postal Service processed and delivered more than [REDACTED] VA Pharmacy packages, achieving a [REDACTED] percent on-time delivery score. However, Postal Service employees did not always accurately perform scans on PMODs and VA Pharmacy packages processed and delivered through the Postal Service network.

“While the Postal Service processed and delivered more than [REDACTED] percent of VA Pharmacy packages on-time, Postal Service employees did not always accurately perform scans on these packages.”

Priority Mail Open and Distribute Scans

During site visits, VA Pharmacy management and the Consolidator stated the Postal Service did not always perform the required “Accepted,” “Enroute,” or “Received at Opening Unit” PMOD scans. We analyzed Postal Service data and confirmed that employees did not always perform the required PMOD scans. Specifically, from June 1, 2023, through August 31, 2023, a Postal Service system showed of 837,240 PMODs, scans were not performed as follows:

- “Accepted” scans were not performed on [REDACTED] shipments [REDACTED].
- “Enroute” scans were not performed on [REDACTED] tags [REDACTED].
- “Received at Opening Unit” scans were not performed on [REDACTED] tags [REDACTED].

The PMOD Operational Guide, dated June 2018, states employees are required to scan all PMODs “Accepted” at business mail entry, “Enroute” at origin processing and downstream facilities, and “Received at Opening Unit” at the destinating facility. In addition, a supervisor is required to verify each PMOD tag is scanned correctly at the destinating facility.

We also found Postal Service management had limited visibility of PMOD scanning performance from end-to-end in the Postal Service network. Specifically, management had a dashboard to monitor scanning performance for the “Received at Opening Unit” scan. However, similar dashboards to monitor performance for the “Accepted” or “Enroute” scans were not available.

Package Delivery Scans

During site visits, the Consolidator provided documentation of VA Pharmacy packages receiving duplicate “Delivered” scans. We analyzed delivery data from June 1, 2022, through June 30, 2023, and found approximately [REDACTED] of the more than [REDACTED] VA Pharmacy packages (approximately [REDACTED] percent) received two or more “Delivered” scans. Specifically, of the [REDACTED] packages:

- More than [REDACTED] received two “Delivered” scans.
- Over [REDACTED] received three scans.
- Over [REDACTED] received between four and 21 scans.
- [REDACTED] received 76 “Delivered” scans between November 28, 2022, and March 13, 2023, before ultimately being returned to the sender due to an incomplete address on July 29, 2023.

Instances of a package receiving two or more delivered scans may indicate improper scanning practices and has the potential to create an inaccurate record of delivery. However, Postal Service management stated in some instances a package may receive two delivered scans such as when it is refused by a customer after delivery or when a recycled tracking number is used.

Inconsistent and inaccurate PMOD tag and VA Pharmacy package scanning occurred because Postal Service employees were unaware of scanning

requirements, management did not enforce the scanning policy, and there was no control preventing improper duplicate “Delivered” scans from occurring on the same package.

The Postal Service emphasized the importance of accurate scanning as a measure of success for how well the Postal Service delivers for its customers.²⁰ Employees must perform the scans at the actual time and location of delivery to provide accurate and reliable data. When the required scans are not performed, customers lose visibility of their shipments.

Customers expect a high level of service and value tracking information and visibility of their packages as they move through the Postal Service network. Accurate, reliable scanning provides senders and recipients this real-time information, including when to expect delivery. Accurate tracking starts with accurate scanning. Therefore, scanning errors have the potential to cause confusion and frustration for customers, leading to dissatisfaction, a loss of trust, and harm to the organization’s brand. In addition, without accurate and reliable scanning data, the Postal Service does not have the data it needs to accurately measure operational performance.

Recommendation #2

We recommend the **Vice President, Processing and Maintenance Operations, and Vice President, Retail and Post Office Operations**, develop and implement a process to review Priority Mail Open and Distribute scanning performance, which should include providing recurring training to employees responsible for conducting the scans and enforcing compliance with scanning requirements.

Recommendation #3

We recommend the **Chief Technology Officer and Executive Vice President**, develop and implement a control to prevent improper duplicate “Delivered” scans on the same package, including VA Pharmacy packages.

Looking Forward

We acknowledge the Postal Service’s service performance for VA Pharmacy packages, achieving

a [REDACTED] percent on-time delivery score from June 1, 2022, through June 30, 2023. The Postal Service is positioned to provide prompt, reliable, and efficient delivery of mail to all customers, including Veterans.

“Scanning errors have the potential to cause confusion and frustration for customers.”

As the Postal Service considers new opportunities, we encourage management to explore business options for acquiring end-to-end processing and handling of VA Pharmacy packages. With the capability to provide a service that is mutually beneficial to the Postal Service and Veterans, the Postal Service has an opportunity to enhance its brand and reputation

through meeting the needs and expectations of Veterans, along with other customers that rely on the Postal Service for prompt and reliable medication delivery.

Management’s Comments

Management agreed with recommendation 2, partially agreed with finding 2, neither agreed nor disagreed with finding 1, and disagreed with recommendations 1 and 3. See [Appendix B](#) for management’s comments in their entirety.

Regarding the findings, management stated the policies and procedures referenced in the report apply to prescription medications only, and the OIG findings did not differentiate between prescription medications and non-prescription items. Management also stated verbiage in the report was misleading regarding training specific to the handling of damaged medication shipments or medications found loose in the mail. They stated such handling requirements are conveyed to employees via various channels and that the current requirements were provided to the OIG during the audit. Regarding finding 2, management stated they disagreed with the section titled “Package Delivery Scans” and requested it be removed from the report. They stated this section lacks adequate data and the credible analysis required to substantiate a meaningful finding.

²⁰ Carriers Delivering the Customer Experience stand-up talk, July 2017.

Regarding recommendation 1, management stated they disagreed with the recommendation as written and considers their November 20, 2023, reissuance of the handling policies and procedures sufficient.

Regarding recommendation 2, management stated PMOD documents and shared training videos are posted on the Priority Mail Blue page at Priority Mail (usps.gov), and the Destination Delivery Unit Standard Work Instruction for PMOD Received at Opening Unit Scan was updated and shared with Destination Delivery Units on December 1, 2023. In addition, management stated an updated dashboard is available for local management to review daily PMOD performance and opportunities. Management requested closure of the recommendation and provided a target implementation date of February 29, 2024.

Regarding recommendation 3, management stated the recommendation failed to provide the definition and identification of improper duplicate delivered scans; credible, actionable analysis; and relevant, substantive data. In addition, they stated features already exist on the scanning devices to prevent or allow, when appropriate, duplicate delivered scans.

Evaluation of Management's Comments

The OIG considers management's comments partially responsive to recommendations 1 and 2, and nonresponsive to recommendation 3.

Regarding management's response to recommendation 1, we based our recommendation on the results of site observations and interviews with local management, which indicated policies and procedures were not being followed. We view management's response to recommendation 1 as

unresolved and will work with management through the formal audit resolution process.

Regarding management's response to recommendation 2, while it adequately addressed plans to review PMOD scanning performance and "Received at Opening Unit" scans at Delivery Units, it did not address "Received at Opening Unit" scans at processing facilities, nor did it address "Accepted" or "Enroute" scans. In addition, management did not include a plan to provide recurring training to employees responsible for conducting these scans. We view management's response to recommendation 2 as unresolved and will work with management through the formal audit resolution process.

Regarding management's response to recommendation 3, the OIG based the finding and recommendation on our analysis of Postal Service data for duplicate "Delivered" scans occurring on the same package. As requested, on November 9 and November 15, 2023, we provided the Postal Service the Structured Query Language we used to generate the data for our analysis. Management confirmed the information provided was sufficient but did not share with us the results of their analysis. We view management's response to recommendation 3 as unresolved and will work with management through the formal audit resolution process.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action(s) are completed. The recommendations 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

Appendix A: Additional Information	11
Scope and Methodology.....	11
Prior Audit Coverage.....	12
Appendix B: Management's Comments	13

Appendix A: Additional Information

Scope and Methodology

Our objective was to assess the Postal Service's processing and delivery of VA Pharmacy medications. To accomplish our objective, we:

- Reviewed applicable laws and regulations and Postal Service policies and procedures.
- Conducted interviews with VA Pharmacy management to gain an understanding of the VA Pharmacy program.
- Obtained and analyzed Postal Service package volume and scan data pertaining to VA Pharmacy packages from June 1, 2022, through June 30, 2023.
- Obtained and analyzed Postal Service nationwide PMOD scan data from June 1, 2023, through August 31, 2023.
- Conducted interviews with Postal Service Headquarters, Business Service Network management, and Mail Recovery Center management to determine if the Postal Service has dedicated practices for processing and delivering medication shipments and to identify policies and procedures for tracking and communicating with the U.S. Department of Veterans Affairs for lost or delayed VA Pharmacy packages.
- Judgmentally selected:
 - Two VA Pharmacy and associated Consolidator locations based on the highest shipping volume from June 1, 2022, through June 30, 2023.
 - Six Postal Service originating facilities based on highest total volume of VA Pharmacy packages entering the Postal Service network as likely a PMOD (three sites) and likely a direct drop (three sites) from June 1, 2022, through June 30, 2023.
 - Eight of the top eighteen Postal Service destinating facilities based on volume of VA Pharmacy packages with a high percentage

of packages with a "late indicator" from June 1, 2022, through June 30, 2023.

- Visited the selected VA Pharmacy and Consolidator locations in August and September 2023 to conduct management interviews and observe operations and VA Pharmacy package preparation processes.
- Conducted unannounced site visits at the selected Postal Service facilities during August and September 2023 to interview employees and management and observe package entry, processing, and delivery practices for medication packages, including PMOD and direct drop shipments.

We conducted this performance audit from August through December 2023 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 November 15, 2023, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of delivery and processing operations' internal control structures to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined the following five components were significant to our audit objective:

- Control environment
- Risk assessment

- Control activities
- Information and communication
- Monitoring

We developed audit work to ensure we assessed these controls. Based on the work performed, we identified internal control deficiencies that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of Enterprise Data Warehouse by performing tests for data completeness, reasonableness, accuracy, and validity. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews within the last five years related to the objective of this audit.

Appendix B: Management's Comments



December 7, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Processing and Delivery of Veterans Affairs Medicine
(Audit 23-137-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report *Processing and Delivery of Veterans Affairs Medicine*. We appreciate that your report acknowledges we successfully delivered the majority of the VA Pharmacy packages on time during the audit timeframe: specifically, you note that the Postal Service has achieved an on-time delivery score of [REDACTED] percent.

Management would like to clarify that the policies and procedures described in this report apply to prescription medications only. The U.S. Postal Service Office of Inspector General (OIG) findings did not differentiate between prescription medications and non-prescription items such as vitamins, energy drinks and weight loss products. Figure 4 is identified as non-prescription medication, but the report does not reflect the fact that there was no handling error shown or reported for non-prescription medication.

The report statement that "Postal Service Headquarters and local management stated there was no specific training for the handling of damaged medication shipments or for medications found loose in the mail" is misleading. Such handling requirements are conveyed to employees via issued Processing Operations Management Orders (POMOs), posted job aids, and on-the-job training for employees. The current POMO was provided to the OIG during the audit.

Management disagrees with the section under Finding #2 titled "Package Delivery Scans" and requests that it be removed from the report. This section lacks credible analysis that identifies improper delivered scans or reasons the OIG deemed the scans improper. The report inadequately includes only delivered scan counts which fail to substantiate a meaningful finding and is inappropriate to present without proper analysis.

Following are our comments on the three recommendations.

Recommendation #1:

We recommend the **Vice President Processing and Maintenance Operations**, develop and implement training, including recurring refresher training for handling damaged medication packages and medication found loose in the mail.

Management Response/Action Plan:

Management disagrees with this recommendation as written.

Policies for prescription medications are distributed via issued Processing Operations Management Orders (POMOs), posted job aids, and on-the-job training for employees.

Management considers the reissue of POMO 003-21 on Nov. 20, 2023 sufficient to reinforce these policies.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation #2:

We recommend the **Vice President, Processing and Maintenance Operations**, and **Vice President, Retail and Post Office Operations**, develop and implement a process to review Priority Mail Open and Distribute (PMOD) scanning performance, which should include providing recurring training to employees responsible for conducting the scans and enforcing compliance with scanning requirements.

Management Response/Action Plan:

Management agrees with this recommendation.

The PMOD documents are posted on the Priority mail Blue page at [Priority Mail@ \(usps.gov\)](https://usps.gov/priority-mail). The Destination Delivery Unit (DDU) Standard Work Instruction for PMOD Received At Opening Unit (RAOU) Scan was updated and shared with DDUs as a reminder of proper handling procedures on Dec. 1, 2023. A training video of 'Identifying and Recording PMOD' has been shared in September 2023 and available at [Misc. Systems Training \(usps.gov\)](https://usps.gov/misc-systems-training). Standard Work – Missent PMOD Sacks is currently available on the Scanning Improvement Blue page at [Standard Work Delivery \(usps.gov\)](https://usps.gov/standard-work-delivery).

Additional detailed PMOD information recently shared with the Field can be found on the PMOD Dashboard and automated PMOD report at [PMOD Dashboard](#). The PMOD Dashboard is available for local management to review daily performance and potential opportunities. Finally, the automated PMOD email information is available for units to sign up, through eAccess to be added to the distribution list, to receive the report directly from [REDACTED]. Management requests closure of this recommendation at this time.

Target Implementation Date: 02/29/24

Responsible Official: Vice President, Processing and Maintenance Operations, and Vice President, Retail and Post Office Operations

Recommendation #3:

We recommend the **Chief Technology Officer and Executive Vice President**, develop and implement a control to prevent improper duplicate "Delivered" scans on the same package, including VA Pharmacy packages.

Management Response/Action Plan:

Management disagrees with this recommendation.

This recommendation failed to provide the definition and identification of improper duplicate delivered scans; credible, actionable analysis; and relevant, substantive data to justify

inclusion of the finding and recommendation in the report. As discussed with OIG, there are acceptable use cases that result in more than one delivered event such as customers printing the same tracking number for multiple packages; customers putting packages back into the mailstream after delivery; and package intercept requests. In addition, features already exist on the scanning devices to prevent or allow, when appropriate, duplicate scans and to suppress duplicate delivered scans on consumer facing channels to mitigate issues. Without cogent analysis and supportive data, this recommendation lacks rigor to impart cause or determine the appropriate responsibility to effect a useful remedy.

Target Implementation Date: N/A

Responsible Official: N/A

E-SIGNED by DANE.A COLEMAN
on 2023-12-07 10:37:43 EST

Dane A. Coleman
Vice President, Processing and Maintenance Operations

E-SIGNED by ANTHONY.A IMPRONGO
on 2023-12-07 10:52:57 EST

Anthony A. Improngo
on behalf of Elvin Mercado
Vice President, Retail and Post Office Operations

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on 2023-12-07 15:09:57 EST

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Chief Technology Officer and Executive Vice President

OFFICE OF INSPECTOR GENERAL

UNITED STATES



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