



Office of Inspector General | United States Postal Service

Audit Report

Manually Adjudicated Indemnity Claim Payments

Report Number 20-129-R21 | August 30, 2021



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Highlights

Objective

Our objective was to determine whether the U.S. Postal Service properly processed and paid manually adjudicated indemnity claims.

The Postal Service offers up to \$5,000 of insurance coverage as protection against the loss of or damage to a customer's package. When an insured item is lost or damaged, the customer may request compensation by filing an indemnity claim online, by mail, or at a postal retail unit. If an indemnity claim is domestic and valued at [REDACTED] or less, it is automatically adjudicated; otherwise, it is manually adjudicated. All international indemnity claims are manually adjudicated.

From fiscal year (FY) 2018 to FY 2020, the Postal Service paid [REDACTED] million related to about [REDACTED] million domestic and international indemnity claims, which includes nearly [REDACTED] million paid on [REDACTED] manually adjudicated claims.

To determine whether certain international destinations received disproportionate amounts of indemnity claims payments, we analyzed over [REDACTED] international indemnity claims from FY2018 through FY 2020 where the mail originated in the U.S. Based on our analysis the international destination with the most indemnity claims was [REDACTED], with over 3,000 claims, followed by [REDACTED] with over 2,100 claims. We noted eight countries each with over 1,000 claims filed.

Findings

Although domestic indemnity claims were processed effectively, Postal Service personnel did not always properly process and pay international indemnity claims. We statistically selected and reviewed 207 manually adjudicated indemnity claim payments consisting of 137 domestic and 70 international claims and identified no systemic issues with domestic indemnity claim payments. However, we found that Postal Service personnel did not have required documentation for 16 international claims in our sample. Further, they did not obtain the original receipt of the shipping invoice for Global Express Guaranteed, an international expedited delivery service, indemnity claims as evidence of indemnity coverage as required. Finally, they paid a bulk indemnity claim twice. Specifically:

- The Postal Service processed and paid 16 insured mail indemnity claims without the customs form required by policy. Accounting Services personnel processed, and paid indemnity claims based on the International Indemnity Claims Form that does not require the customer to provide the customs form. They relied on information captured in the International Inquiry Claims System record as evidence of required postage and insurance coverage but declared value information from the customs form is not included in the International Inquiry Claims system for use during adjudication. In those instances, where declared value information is not provided by the customer or included in the international claims system, the Postal Service did not ensure the [REDACTED]
- Global Business Office personnel did not obtain the original receipt of the shipping invoice for Global Express Guaranteed indemnity claims as evidence of indemnity coverage as required. Instead, they followed a service guide that states the original shipping receipt may be required when filing a claim. A transportation contractor adjudicates Global Express Guaranteed indemnity claims and submits an electronic file to the Postal Service to allow them to reimburse customers for loss or damage. Global Business office personnel did not validate the electronic claims data before payment. They reconciled paid claims data quarterly with historical and postage rates data for applicable countries. While this quarterly reconciliation may identify rate exceptions, it could not ensure that the Postal Service did not pay more than the insured amount.
- Personnel paid both the requested amount and the approved amount for the same bulk indemnity claim. This occurred because, according to Postal Service personnel, this was the first time they processed and paid a claim to this bulk mailer and they used an undocumented manual process to make the payment. Soon after making these payments, management standardized the approval email and better identified the requested versus the eligible amount for payment. As a result of our audit, management recovered the erroneous amount from the mailer.

Recommendations

We recommend the Managing Director, Global Business:

- Update and communicate manually adjudicated international indemnity claim processing policy to ensure it aligns with the Product Tracking and Reporting System and the International Inquiry Claims System.
- Modify the International Inquiry Claims System as appropriate based on updated policy to capture and maintain declared value information for processing international indemnity claims.
- Implement procedures to [REDACTED] the Global Express Guaranteed indemnity claims [REDACTED].
- Update the *International Mail Manual* and *Global Express Guaranteed Service Guide* to align with policies and procedures to pay Global Express Guaranteed indemnity claims, including [REDACTED].

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 30, 2021

MEMORANDUM FOR: CARA M. GREENE
VICE PRESIDENT, CONTROLLER

A handwritten signature in black ink, reading "M Schoenberg", is positioned above the "FROM:" field.

FROM: Mitchell Schoenberg
Deputy Assistant Inspector General
for Finance and Pricing

SUBJECT: Audit Report – Manually Adjudicated Indemnity Claim
Payments (Report Number 20-129-R21)

This report presents the results of our audit of the U.S. Postal Service's Manually Adjudicated Indemnity Claim Payments.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of manually adjudicated indemnity claim payments (Project Number 20-129). Our objective was to determine whether the U.S. Postal Service properly processed and paid manually adjudicated indemnity claims. See [Appendix A](#) for additional information about this audit.

Background

The Postal Service offers up to \$5,000 of optional insurance coverage as protection against the loss of or damage to a customer’s package. When an insured item is lost or damaged, the customer may request compensation by filing an indemnity claim online, by mail, or at a postal retail unit. If an indemnity claim

“When the Postal Service approves a claim, it pays the [REDACTED] of the lost or damaged item.”

is domestic and valued at [REDACTED] or less, it is automatically adjudicated; otherwise, it is manually adjudicated. All international indemnity claims are manually adjudicated.

When the Postal Service approves a claim, it pays the [REDACTED] of the lost or damaged item. From fiscal year (FY) 2018 to FY 2020, the Postal Service paid [REDACTED] million related to about

[REDACTED] million domestic and international indemnity claims, which includes nearly [REDACTED] million paid on [REDACTED] manually adjudicated claims, as shown in Table 1.

Table 1. Total Indemnity Claims Payments for Selected Fiscal Years

Fiscal Year	Domestic Automatically Adjudicated Indemnity Claims Payments		Manually Adjudicated Indemnity Claims Payments			
	Number	Value	Domestic		International	
	Number	Value	Number ¹	Value	Number	Value
2020	397,660	\$28,929,790	7,792	\$6,792,684	[REDACTED]	[REDACTED]
2019	516,367	\$39,228,687	8,427	\$8,928,721	[REDACTED]	[REDACTED]
2018	483,935	\$29,754,429	7,429	\$7,666,870	[REDACTED]	[REDACTED]
Total	1,397,962	\$97,912,906	23,648	\$23,388,275	[REDACTED]	[REDACTED]
Total Manually Adjudicated Indemnity Claims					[REDACTED]	[REDACTED]

Source: U.S. Postal Service Office of Inspector General (OIG) summary of Oracle Accounts Payable (OAP) system.²

To determine whether certain international destinations received disproportionate amounts of indemnity claim payments, we analyzed over [REDACTED] international indemnity claims³ from FY 2018 through FY 2020 where the mail originated in the U.S. with various countries as the intended destination. Based on our analysis, the international destination with the most indemnity claims was [REDACTED], with over 3,000 claims averaging [REDACTED] per claim; followed by [REDACTED], with over 2,100 claims averaging [REDACTED] per claim. The average of all international claims was [REDACTED]. We noted eight countries where over 1,000 claims each were filed.⁴

Summary

The Postal Service did not always properly process and pay manually adjudicated international indemnity claims. We statistically selected and reviewed 207 manually adjudicated indemnity claims consisting of 137 domestic and 70

¹ The number of Domestic – Manually Adjudicated Payments excludes [REDACTED] voided claims over the scope period.

² The OAP system is a module of Oracle Financials system. The OAP system supports Accounting Services in Eagan, San Mateo, and St. Louis. Payments are made by paper check and electronic funds transfer.

³ The population of international claims for our scope period was [REDACTED]. We excluded 1,448 voided international claims and 5,655 Global Express Guaranteed® (GXG) international claims from our analysis. We did not have access to destination information for GXG claims since these items are delivered by a transportation contractor.

⁴ [REDACTED]. We found 216 countries had at least one claim. Payment amounts ranged from [REDACTED] to [REDACTED] (includes postage).

international claims. We found that two domestic claims we reviewed did not have required supporting documentation due to an oversight.⁵ However, we identified no systemic issues with the processing of these claims. We found Postal Service personnel did not have the required documentation for 16 international claims in our sample. Further, they did not obtain the original receipts of the shipping invoices for GXG indemnity claims as evidence of indemnity coverage as required. Finally, personnel paid a bulk indemnity claim twice. Given these exceptions, we estimate the Postal Service did not properly process and pay 9,474 of the [REDACTED] percent) manually adjudicated claims from FY 2018 through FY 2020. We consider [REDACTED] of payments for the claims in our statistical sample as questioned costs.⁶

Finding #1: International Indemnity Claim Payments

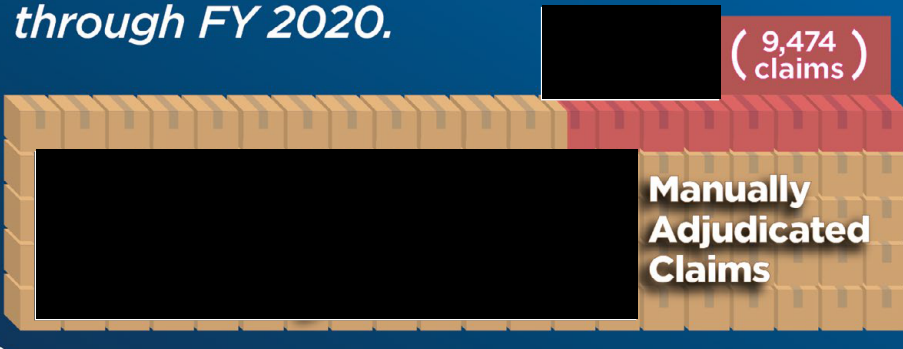
The Postal Service did not always process and pay manually adjudicated international indemnity claims according to policy. We reviewed 70 international claims, valued at [REDACTED], consisting of ten GXG⁷ mailpieces; five Priority Mail Express International mailpieces;⁸ 52 Registered[®] and insured mailpieces;⁹ and three ordinary parcels¹⁰ and found that:

- The Postal Service processed and paid 16 insured mail indemnity claims without the sender's copy of PS Form 2976-A, Customs Declaration and Dispatch Note (customs form). According to the *International Mail Manual* (IMM), insured mail indemnity claims must include the original mailing receipt and sender's copy of the customs form issued at the time of mailing. The insured value (insurance coverage) of a parcel may not be more than the declared value of the contents.

Accounting Services personnel advised us that they process and pay indemnity claims based on the customer documentation requirements on PS Form 2855, International Indemnity Claim Form (claims form). They stated the claims form does not require the customer to provide the customs form. Further when the customer attaches evidence of declared value to their claim in the International Inquiry Claims System (eCRS),¹¹ Accounting Services personnel consider it to determine payment amount. However, they believe it is improper to deny a claim when the customer does not submit a customs form because it is not a claims form customer requirement.

Accounting Services personnel relied on Product Tracking and Reporting (PTR)¹² data captured in the eCRS record as evidence of the required postage and insurance coverage but [REDACTED] does not transfer to eCRS for use during the claims adjudication. When the

We estimate the Postal Service did not properly process and pay 9,474 of the [REDACTED] percent) manually adjudicated claims from FY 2018 through FY 2020.



5 For domestic indemnity claims, we verified that the customer completed either an electronic or paper Postal Service (PS) Form 1000, Domestic Claim or International Claim, and provided proof of insurance, value, and loss or damage, if applicable. One claim did not have proof of value and the other did not have proof of loss or damage.

6 A cost the OIG believes is unnecessary, unreasonable, or an alleged violation of law, regulation, or contract.

7 An international expedited delivery service provided through an alliance with one of Postal Service's transportation contractors. These 10 claims, totaling [REDACTED] were for money-back guaranteed postage and did not include loss or damage.

8 The Priority Mail Express International claims totaled [REDACTED]

9 Registered Mail is a service for additional protection and security in dispatch and conveyance in the U.S. Registered mail is insured; however, not all insured mail is registered. These 52 claims totaled [REDACTED]

10 The three ordinary parcels claims totaled [REDACTED]

11 The system designed to pay or deny international indemnity claims against the Postal Service when there is loss or damage to insured articles in the mail stream.

12 The system of record for all delivery status information for mail and parcels with trackable services and barcodes. The system includes evidence of the required postage and insurance coverage.

customer does not provide [REDACTED] or it is not included in eCRS, the Postal Service cannot ensure that it [REDACTED]

- The Postal Service properly processed and paid the five Priority Mail Express International and three ordinary parcel claims.

When the Postal Service pays indemnity claims without proper validation or supporting documentation, the risk of improper payments increases.

Recommendation #1

We recommend the **Managing Director, Global Business**, update and communicate manually adjudicated international indemnity claim processing policy to ensure it aligns with the Product Tracking and Reporting System and the International Inquiry Claims System.

Recommendation #2

We recommend the **Managing Director, Global Business**, modify the International Inquiry Claims System as appropriate based on updated policy to capture and maintain declared value information for processing international indemnity claims.

Finding #2: Global Express Guaranteed Claims

Global Business Office personnel did not obtain the original receipts of the GXG¹³ shipping invoices for GXG indemnity claims. The Postal Service's IMM requires the original receipt of the GXG Air Waybill (shipping label) as evidence of indemnity coverage.¹⁴ Global Business Office personnel did not obtain that evidence because they followed the Postal Service GXG publication, which states the original receipt of the shipping label may be required when filing a claim.¹⁵

The Postal Service does not adjudicate GXG indemnity claims but relies on transportation contractor personnel to adjudicate them and submit an electronic file to the Global Business Office to allow the Postal Service to reimburse

customers for loss or damage. Global Business Office personnel convert the electronic file to a readable format to upload for automatic payment processing.

Global Business personnel [REDACTED] indemnity claims data [REDACTED], they generate internal GXG quarterly claims reports and reconcile paid claims data with GXG historical and postage rates data for applicable countries. When the Postal Service identifies exceptions, it splits the difference with the transportation contractor in accordance with the alliance agreement.¹⁶ While this quarterly reconciliation may identify rate exceptions, [REDACTED] that the Postal Service will [REDACTED]. We judgmentally selected one GXG indemnity claim from the quarterly reconciliation report and found the Postal Service reimbursed the customer for loss or damage of \$1,000 but the item was only insured for \$200. Global Business Office personnel stated they do not have [REDACTED] to [REDACTED] the GXG indemnity claims electronic file information.

“Global Business Office personnel did not obtain the original receipts of the GXG shipping invoices for GXG indemnity claims.”

Recommendation #3

We recommend the **Managing Director, Global Business**, implement procedures to [REDACTED] Global Express Guaranteed indemnity claims [REDACTED]

Recommendation #4

We recommend the **Managing Director, Global Business**, update the International Mail Manual and Publication 141, *Global Express Guaranteed Service Guide*, to align with policies and procedures to pay Global Express Guaranteed indemnity claims, including [REDACTED].

¹³ An international expedited delivery service provided through an alliance with one of the Postal Service's transportation contractors. It provides reliable, high-speed, guaranteed, and day-definite service from selected post office facilities in the U.S. to a large number of international destinations. These 10 claims totaled [REDACTED].

¹⁴ The original receipt of the GXG shipping invoice is required by IMM, Section 922.32, dated June 23, 2019.

¹⁵ Publication 141, *Global Express Guaranteed® Service Guide*, page 12, dated October 1, 2019.

¹⁶ Postal Service has an alliance agreement with the transportation contractor dated August 15, 2019.

Finding #3: Bulk Indemnity Claim Payments

The Postal Service did not properly process and pay one mailer's bulk indemnity claim.¹⁷ Specifically, personnel approved and paid both the requested amount and the approved amount for a single claim. In April 2020, the mailer submitted a bulk indemnity claim for \$25,528. Personnel determined the mailer was only eligible for a portion of the claim and approved only \$7,662; however, they paid the mailer both the requested and the approved amounts.

Revenue and Field Accounting personnel advised that the mailer sends a bulk reimbursement request to their office for processing where they then review the tracking numbers in the request to determine eligibility. If eligible, they approve the [REDACTED] for payment and email a summary of the eligible and non-eligible amounts along with the review analysis to their manager for approval. Upon approval, they email St. Louis Accounting Services personnel with the payment and payee information for processing.

“The Postal Service did not properly process and pay one mailer’s bulk indemnity claim.”

St. Louis Accounting Services personnel create and approve a manual payment and provide check information to Revenue and Field Accounting personnel for a secondary and final review and notification to the mailer of payment processing.

This occurred because, according to Postal Service personnel, this was the

first time they processed and paid this bulk mailer and the manual process described was not documented.¹⁸ Since then, Revenue and Field Accounting and St. Louis Accounting Services personnel worked together to solidify the steps in this process to include standardizing the approval email and better identifying the requested versus the eligible amount for payment to help prevent erroneous payments.

Based on our audit, we did not identify similar errors; however, Revenue and Field Accounting and St. Louis Accounting Services personnel did not identify the error until we requested supporting documents for the \$25,528 payment.

¹⁷ Bulk indemnity claims are manually invoiced claim payments and were not part of our statistical sample.
¹⁸ The Postal Service only used this process for this one bulk mailer.

As a result of our audit, in April 2021, Postal Service personnel recovered the \$25,528 overpayment from the mailer. Also, in June 2021, Revenue and Field Accounting documented and communicated standard operating procedures pertaining to manual processing of bulk indemnity claims. Therefore, we are not making a recommendation regarding bulk indemnity claims.

Management’s Comments

Management agreed with the findings and recommendations but disagreed with the monetary impact. They noted discrepancies in the population provided by the OIG, including invoices outside the scope period, claims not manually adjudicated, and bulk invoices that are manual payments and not manually adjudicated. Further, they suggested the OIG stratify the population between domestic and international claims since there were no findings associated with the domestic claims process.

Regarding Recommendation 1, management agreed to review and update the IMM to ensure it aligns with Postal Services processes and systems. Subject to issues regarding information technology requirements for persons with disabilities, management plans to implement changes to the IMM and Publication 141 by April 30, 2022.

Regarding Recommendation 2, management began working with subject matter experts in July 2021 to identify the root cause of the missing declared value information in the International Inquiry Claims System. They have not identified the problem to date but will continue investigating to determine if the issue still exists in the latest system release. If so, management plans to identify the root cause by September 30, 2021, and then implement a fix by July 31, 2022.

Regarding Recommendation 3, management met with technical subject matter experts and process owners and identified an initial technical and process solution. They received cost estimates and are evaluating their options for implementing the changes in a cost-effective manner as well as determining funding sources. Management’s target implementation date for the identified solution is July 31, 2022.

Regarding Recommendation 4, management identified changes necessary in the IMM to ensure guidance is aligned with processes and systems. Subject to issues regarding information technology requirements for persons with disabilities, management plans to implement changes by April 30, 2022.

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

Evaluation of Management's Comments

We consider management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report. Regarding the monetary impact, we believe our calculation provides a reasonable and reliable estimate of the monetary impact associated with the issues identified in our report. Regarding out-of-scope invoices, we used the date a claim was processed (accounting date), not the date the Postal Service paid the claim (paid date) to determine if the claim was within scope. We also included voided claims in our population that may have been within the dollar threshold for automatically adjudicated claims. Further, the threshold for automatically adjudicated claims changed twice during our scope period. Therefore, we used three separate dollar

thresholds depending on the process date of the claim, to identify invoices for our population. Finally, we included bulk payments in our population because the customer provides detailed individual claim information in their request for a bulk reimbursement and Postal Service personnel review the detailed claim information to ensure validity of the bulk reimbursement.

We discussed our sampling methodology, including a stratified sampling approach that included domestic and international manually adjudicated indemnity claims, with management on August 17, 2021. Our approach aligns with appropriate sampling rules to ensure we calculated fair and reliable monetary impact.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. All 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

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Appendix A: Additional Information

Scope and Methodology

During our scope period of October 1, 2017, through September 30, 2020, the Postal Service manually adjudicated ██████ indemnity claims, valued at ██████, ██████ of which were domestic and ██████ of which were international. We statistically selected and reviewed 207 of ██████ manually adjudicated indemnity claims consisting of 137 domestic and 70 international claims.

To accomplish our objective, we:

- Extracted and analyzed data for indemnity claim payments from the OAP system to identify the number of manually adjudicated indemnity claims processed through the Customer Inquiry & Claims Response System (CICRS)¹⁹ and eCRS, domestic and international, for the period October 1, 2017, through September 30, 2020.
- Extracted and reviewed a random sample of manually adjudicated indemnity claims stratified by type (domestic and international) and fiscal year.
- Reviewed applicable policies and procedures.

- Interviewed Postal Service personnel to gain an understanding of claims processed in CICRS and eCRS and their respective interface with PTR.
- Reviewed any noted anomalies including, but not limited to, duplicate addressees and manually invoiced entries.

We conducted this performance audit from October 2020 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 1, 2021 and included their comments where appropriate.

We assessed the reliability of OAP data through interviews with investigative personnel knowledgeable about the data and by examining and comparing indemnity claims source documents with payment data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Automatic Indemnity Claim Payments</i>	Provide Postal Service officials notification of issues identified during our audit of controls over automatic indemnity claim payments.	19-008-R20	3/2/2020	\$2.2
<i>U.S. Postal Service Mail Recovery Center</i>	Evaluate the effectiveness of Postal Service Mail Recovery Center operations and identify opportunities for improvement.	19-040-R20	8/17/2020	\$6.6

¹⁹ CICRS is designed to pay or deny domestic indemnity claims against the Postal Service when there is loss or damage to insured articles in the mail stream.

Appendix B: Management's Comments



August 19, 2021

JOSEPH WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Report – Manually Adjudicated Indemnity Claim Payments
(Project Number 20-129-DRAFT)

Thank you for the opportunity to respond to the Office of Inspector General (OIG) draft report on Manually Adjudicated Indemnity Claim Payments.

Management agrees with the findings noted in the report.

Management respectfully disagrees with the Monetary Impact associated with this audit for manually adjudicated claims (Domestic and International). Management could not recreate the finding amount even with the OIG providing the population details that made up their finding. The reasons for the discrepancy are based on the following: 1) approximately 1.7 percent of the invoices were outside of the fiscal years specified in the audit scope; 2) approximately 33 percent of the invoices were auto-adjudicated (not manually adjudicated) claims with dollar amounts of [REDACTED] or less; and 3) approximately 0.04 percent of the invoices are bulk invoices which are manual payments and not manually adjudicated claims. In addition, we do not believe it is appropriate to include domestic claims volume in the Monetary Impact since there were no findings associated with the domestic claims process. We suggest that the OIG stratify the population between domestic and international.

Management agrees with the recommendations as outlined in the report per the responses below:

Recommendation #1

We recommend the Managing Director, Global Business, update and communicate manually adjudicated international indemnity claim processing policy to ensure it aligns with the Product Tracking and Reporting System and the International Inquiry Claims System.

Management Response/Action Plan

We are reviewing policy and the IMM and intend to update the IMM to ensure our processes, systems, and IMM all align.

Target Implementation Date

IMM and Publication 141 changes to be implemented by the end of April 30, 2022, unless 508 Compliance issues delay the Publication 141 implementation timeline.

Responsible Official

Managing Director, Global Business

Recommendation #2

We recommend the Managing Director, Global Business, modify the International Inquiry Claims System as appropriate based on updated policy to capture and maintain declared value information for processing international indemnity claims.

Management Response/Action Plan

Global Business is working with SMEs to identify the root cause of the missing declared value information in eCRS. Initial investigation in July 2021 was not able to replicate/identify the example problem in the current version of eCRS and with recent transactions. The team needs further details regarding the investigation, ideally an opportunity to discuss live the issue at hand, in order to determine if the issue is still existing in the latest eCRS system release, and if so, to identify the root cause.

Target Implementation Date

Global Business's target to identify the root cause of the problem is NLT September 30, 2021. Depending on the solution and the level of effort, we will implement a fix NLT end of July 31, 2022. If the investigation determines the root cause is already addressed in a recent eCRS release, then no corrective action will be taken.

Responsible Official

Managing Director, Global Business

Recommendation #3

We recommend the Managing Director, Global Business, implement procedures to [REDACTED] Global Express Guaranteed indemnity claims [REDACTED]

Management Response/Action Plan

Global Business has met with technical SMEs and process owners and has identified an initial technical and process solution. We have also received cost estimates for the initial solution. We are evaluating our options for implementing the changes in a cost-effective manner as well as determining funding source.

Target Implementation Date

Target implemented for the identified solution is the end of July 31, 2022.

Responsible Official

Managing Director, Global Business

Recommendation #4

We recommend the Managing Director, Global Business, update the International Mail Manual and Publication 141, Global Express Guaranteed Service Guide, to align with policies and procedures to pay Global Express Guaranteed indemnity claims, including [REDACTED]

Management Response/Action Plan

Global Business has identified changes needed in the IMM to ensure guidance is aligned with processes and systems. Global Business is working with Product Classification on the IMM and Publication 141 Revisions.

Target Implementation Date

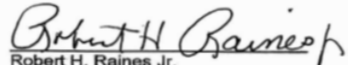
IMM and Publication 141 changes to be implemented by April 30, 2022, unless 508 Compliance issues delay the Publication 141 implementation timeline.

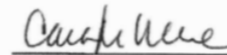
Responsible Official

Managing Director, Global Business

- 3 -

Respectfully submitted,


Robert H. Raines Jr.
Managing Director, Global Business


Cara M. Greene
Vice President, Controller

cc: Manager, Corporate Audit and Response Management

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**INSPECTOR
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