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OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

New Jersey Network Distribution Center – International Air Mail Records Unit

Report Number FT-AR-12-011

BACKGROUND:

Six international service centers and the New Jersey Network Distribution Center process international mail for the U.S. Postal Service. Five international air mail records units (records unit) ensure records associated with this mail are forwarded for billing.

Inbound international mail (or dispatch) is foreign-originating mail destined for delivery in the U.S. Foreign postal administrations pay the Postal Service for sorting, dispatching, and delivering inbound international mail. In fiscal year 2011, revenue for international inbound mail was about \$468 million. The International Reconciliation System, which tracks international mail records, assesses all dispatch records based on a set of validation rules and assigns a validation status (pass or fail) to each record. Records unit clerks are required to correct failed records within established timelines to complete the validation process.

Our objective was to determine if the New Jersey records unit processes international mail transactions timely and accurately to ensure that the St. Louis International Accounting Branch can correctly and timely bill (and collect payment from) foreign postal administrations.

WHAT THE OIG FOUND:

New Jersey records unit personnel did not always correct failed records in accordance with Postal Service procedures. Specifically, records unit clerks did not always nil, or render non-existent, duplicate dispatch records and did not always issue verification notes (formal messages between postal administrations that relay information regarding the exchange of mail) as required by Postal Service procedures. Further, the New Jersey records unit supervisor did not properly document weekly verification note audits, and Headquarters International Accounting did not properly document oversight of these audits. When personnel do not follow established procedures, revenue could be inaccurately recorded, and foreign postal administrations could delay acceptance of the billing and, therefore, delay cash collection.

WHAT THE OIG RECOMMENDED:

The errors identified were the result of staff oversights. Management took corrective action during the audit to address the issues identified in this report. Therefore, we are not making any recommendations at this time.