

# Efficiency of Selected Processes - Woburn Main Post Office, Woburn, MA

## AUDIT REPORT

Report Number 22-188-3-R23 | November 22, 2022



# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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November 22, 2022,

**MEMORANDUM FOR:** MICHAEL RAKES  
MANAGER, MA-RI DISTRICT

*Michelle Lindquist*

**FROM:** Michelle Lindquist  
Director, Financial Controls

**SUBJECT:** Audit Report – Efficiency of Selected Processes – Woburn Main Post Office, Woburn, MA (Report Number 22-188-3-R23)

This report presents the results of our audit of the Efficiency of Selected Processes – Woburn Main Post Office, Woburn, MA.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Eric Borigini, Acting Audit Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit and Response Management  
Vice President, Retail & Post Office Operations  
Vice President, Area Retail and Delivery Operations, Atlantic

# Results

## Background

This interim report presents the results of our self-initiated audit of the efficiency of selected processes at the Woburn Main Post Office (MPO) in Woburn, MA (Project Number 22-188-3). The Woburn MPO is in the Massachusetts-Rhode Island (MA-RI) District of the Atlantic Area. We judgmentally selected the Woburn MPO for our audit.

## Objective, Scope, and Methodology

Our objective was to review cash and inventory, daily reporting activities, clock ring errors, and employee separations at the Woburn MPO. Our audit scope was January 1 through June 30, 2022.

To accomplish our objective, we reviewed data regarding inventories, daily reporting activities, clock ring errors, and employee separations to identify at-risk transactions.<sup>1</sup> We conducted physical counts of all cash, stamp, and money order inventories; reviewed stamp transfers; and evaluated selected internal controls. We also observed daily closing procedures, traced selected transactions to source documentation, and interviewed unit personnel. We determined the causes for issues identified and discussed our observations and conclusions with management on November 1, 2022, and included their comments where appropriate.

The Woburn MPO is one of three post offices<sup>2</sup> the U.S. Postal Service Office of Inspector General (OIG) reviewed during the week of September 12, 2022. We issued this interim report to provide the Postal Service with timely information regarding the conditions we identified at the Woburn MPO.

We will issue a separate report that provides the Postal Service with the overall findings and recommendations for all three post offices. See [Appendix A](#) for additional information about this audit.

## Results Summary

Woburn MPO personnel appropriately processed employee separations; however, we identified issues with the security of inventories, daily reporting activities, and clock ring errors (see Table 1).

Table 1. Summary of Results

Audit Area	Issues Identified	
	Yes	No
Cash and Inventories	X	
Daily Reporting Activities	X	
Clock Ring Errors	X	
Employee Separations		X

Source: Results of OIG fieldwork during week of September 12, 2022.

<sup>1</sup> We did not review data for city or rural carriers.

<sup>2</sup> We visited the Fort Point Station, the Norwood Post Office, and the Woburn MPO.

# Finding #1: Cash and Inventories

## What We Found

City mail carriers placed Voyager<sup>3</sup> fleet cards and arrow keys<sup>4</sup> in [REDACTED] when they returned from their deliveries. The cards and keys were not secured in the [REDACTED] until the last carrier returned to the unit. In addition, the keys to the [REDACTED] were left in the [REDACTED] the entire day, making it accessible to anyone.

## Why Did it Occur

Management stated they are aware of the security policy and figured since the keys and cards are kept in [REDACTED] temporarily and there was a camera monitoring the [REDACTED], it would be sufficient. In addition, they stated the clerks responsible for putting the cards and keys in the [REDACTED] were not scheduled to work until after carriers started returning to the unit.

## What Should Have Happened

Postal Service policy states fleet cards must be kept in secure locations. A process must be in place for drivers to sign for the card associated with the vehicle he/she will be operating and to ensure the card is returned to the same secure location at the end of the vehicle's usage.<sup>5</sup> In addition, the policy states arrow lock keys should be deposited in a secure location, for instance, a designated storage box.<sup>6</sup>

## Effect on the Postal Service and Its Customers

When there is insufficient oversight and supervision of accountable items, such as arrow keys or fleet cards, there is increased risk of theft. These thefts damage the Postal Service's reputation and diminish public trust in the nation's mail system. Additionally, because arrow keys open mail receptacles, lost or damaged keys can result in undelivered mail. The value of the unsecured cards was approximately \$157,000.<sup>7</sup>

3 Standard issued card for the vehicles in the USPS fleet. These cards are assigned to each vehicle and should not be shared. They are used for fueling/oil, maintenance/repairs less than \$300, towing, and washing.

4 A distinctively shaped key carriers use to open mail-receiving receptacles such as street collection boxes and panels of apartment house mailboxes equipped with arrow locks. The bow (top of the key) is stamped with an image of an arrow below "U.S.P.S." Arrow keys are accountable property and subject to strict controls.

5 *Voyager Fleet Card Standard Operating Procedures*, October 2021.

6 *Postal Operations Manual*, Issue 9, July 2022.

7 Each Voyager fleet card was valued at \$1,000 and multiplied by the number of carriers at the Woburn PO.



## Finding #2: Daily Financial Reporting

### What We Found

Unit management did not always properly perform daily financial reporting activities, including the timely review of Postal Service (PS) Forms 1412, *Daily Financial Report*, to ensure the accuracy and timeliness of supporting documentation for all necessary transactions at close out.

Specifically, we found unit personnel did not include proper documentation and support for 73 of 447 transactions totaling \$12,210. We reviewed the Account Identifier Codes (AIC)<sup>8</sup> in Table 2.

**Table 2. Results of Observations**

AIC	Description	Quantity Reviewed <sup>9</sup>	Supported	Unsupported <sup>10</sup>	Incomplete Forms <sup>11</sup>
509	Voided Postage Validation Imprinter (PVI) Labels	384	363	21	0
526	Refund Spoiled/ Unused Customer Meter Strips	4	2	2	0
535	Refund of Fees - Retail Services	12	2	2	8
553	Refund Stamps and Fees	22	4	8	10
608	Postal Related Products - Refunds	3	0	2	1
623	Refund of Premium Forwarding Service Fees	2	1	0	1
624	Refund of Miscellaneous Non-Postal Revenue	1	0	0	1
676	Express Mail Refunds	19	2	4	13
<b>Total</b>		<b>447</b>	<b>374</b>	<b>39</b>	<b>34</b>

Source: Enterprise Data Warehouse (EDW)<sup>12</sup> data and OIG observations, review, and analysis.

<sup>8</sup> A three-digit code that assigns financial transactions to the proper account on the general ledger. Each AIC is assigned to a corresponding general ledger.

<sup>9</sup> Includes review of multiple transactions in a single day.

<sup>10</sup> No supporting documentation (i.e., lack of receipts, PVI labels, and necessary forms).

<sup>11</sup> Forms were supplied; however, some had missing information (i.e., management and witness signatures, money order receipts, dates, and amounts).

<sup>12</sup> A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

<sup>13</sup> Handbook F-101, *Field Accounting Procedures*, Section 5-3.1.c, September 2022.

<sup>14</sup> Handbook F-101, Section 5-3.2. b.

<sup>15</sup> Handbook F-101, Section 2-4.1.

### Why Did it Occur

Unit management stated they were not present during daily financial reporting activities to review PS Form 1412 transactions to ensure accuracy and timeliness. Management conducted random checks but did not closely review the supporting documentation. In addition, a lead retail associate (RA) stated that they had not been fully trained to review daily PS Forms 1412, including the supporting documentation. Further, they stated that review of PS Forms 1412 would occur several days after the transactions occurred because they did not always have time to review them daily.

### What Should Have Happened

Postal Service policy states that RAs, at the time of closing, must verify that PS Form 1412 entry amounts match the supporting documentation.<sup>13</sup> In addition, the closeout employee must confirm that all required supporting documentation is submitted and follow the closing procedures that require filing the PS Form 1412 with the supporting documentation.<sup>14</sup> Further, field unit managers must review supporting documentation for all entries included on PS Forms 1412 and concur with the overall presentation of the report each day.<sup>15</sup>

### Effect on the Postal Service and Its Customers

When unit management does not ensure the review of financial reports is done daily, including verifying supporting documentation, the Postal Service has an increased risk of undetected theft, lost revenue, and fraudulent activity.

## Finding #3: Clock Ring Errors

### What We Found

Unit management corrected fatal clock ring errors<sup>16</sup> in a timely manner. However, we found 685 clock ring warnings<sup>17</sup> that show on the *Clock Ring Error Report* from January 1 to June 30, 2022. We considered these clock ring warnings to be avoidable. Specifically, unit employees did not always adhere to scheduled start times. We found 379 warnings (55 percent) represented 18 retail unit personnel starting their workday outside the five-minute allowance period, and at times, their work hours different from their scheduled start times that had not been officially approved.

Further, the lead clerks were not always performing Time and Collection System (TACS)<sup>18</sup> duties as required.

### Why Did it Occur

The issues occurred due to the following:

- Unit management stated that employees were clocking in outside of the 5-minute allowance period because the Woburn MPO is a large office and clerks have trouble finding available scanners to clock-in. They stated the unit no longer uses Electronic Badge Readers and, instead, used scanners to clock-in. In addition, management stated they were not addressing lateness because their focus has been primarily on unexcused absences and Absences Without Leave (AWOL).
- Regarding employees working hours outside of their scheduled start time, management stated several employees have hardships; however, these employees were not on temporary schedule changes.
- Further, unit management stated they were aware that the policy states the lead clerks should perform TACS duties, but they believed they did a better job performing this function.

### What Should Have Happened

Postal Service policy states:

- Upon arrival, employees required to use time clocks must clock-in at their scheduled reporting time. Employees are not permitted to clock-in more than five minutes before or after their scheduled reporting time and supervisors must take all necessary actions to restrict employee access to timecards before the scheduled tour begins.<sup>19</sup>
- Management should assign lead clerks TACS duties, including correcting daily clock rings errors.<sup>20</sup> On July 16, 2021, multiple headquarters' officials issued a letter to all district managers stating that all units must have lead clerks trained and assigned TACS timekeeping duties.
- Employees requesting temporary schedule changes should complete a PS Form 3189, *Request for Temporary Schedule Change for Personal Convenience*.<sup>21</sup>

### Effect on the Postal Service and Its Customers

When managers do not properly address clock ring errors or warnings, employees could be improperly paid, and management could incur excess administrative time. In addition, management could rely on inaccurate information when making staffing decisions for each tour. The compensation paid to employees for time outside the five-minute allowance period totaled about \$22,089.<sup>22</sup>

### Management's Comments

Management agreed with all findings in the report. However, management stated, regarding finding 3, clock ring errors, that the number of retail unit personnel cited in the report should have been 10, not 18. Management stated that because of this, the resulting monetary impact associated with clock ring exceptions should be less. See [Appendix B](#) for management's comments in their entirety.

<sup>16</sup> Errors that appear in red in the system prevent the employee from being paid correctly for that day.

<sup>17</sup> Messages which address issues other than fatal errors but should also be reviewed. They may be informational only (i.e., "Nonscheduled Begin Tour") or may require action (i.e., an instance of "Missing OT Transaction") that needs to be addressed with a Code 91 entry (overtime transaction). Unlike fatal errors, which disappear when the error is corrected, most warning messages do not disappear (i.e., "Nonscheduled Begin Tour/End Tour").

<sup>18</sup> A web-based automated payroll program that collects and processes time and attendance data and provides "real time" workhour data to help run day-to-day operations.

<sup>19</sup> Handbook F-21, *Time and Attendance*, Section 133.63, February 2016.

<sup>20</sup> Resulting from a February 2016 grievance settlement with the American Postal Workers Union.

<sup>21</sup> Handbook F-21, Section 232.23.

<sup>22</sup> We calculated the compensation paid based on the number of minutes outside the five-minute allowance period, converted to hours, multiplied by hourly rate with benefits.

## Evaluation of Management's Comments

The OIG considers management's comments responsive to all findings in the report. However, according to the Postal Service complement tool<sup>23</sup> data, the Woburn MPO has a total of 23 employees that work in retail operations, and 18 of these employees had clock ring errors. Therefore, the OIG finds the clock ring errors accurate.

<sup>23</sup> Web Complement Information System (WebCOINS) is a web-based tool for managing and tracking complement that provides easy access to information about employees, their work assignments, and on-rolls versus authorized complement levels by operational unit.

# Appendix A: Additional Information

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We conducted this audit from September through November 2022 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 relied on computer-generated data from the EDW, Retail Systems Software, and TACS. We did not test the validity of controls over these systems; however, we verified the accuracy of the data by reviewing related documentation, tracing selected information to supporting source records, and interviewing knowledgeable Postal Service employees. We determined that the data were sufficiently reliable for the purposes of this report.



# Appendix B: Management's Comments



November 10, 2022

JOHN CIHOTA  
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Efficiency of Selected Processes – Woburn Main Post Office, Woburn, MA (Project Number 22-188-3-DRAFT)

Thank you for providing the Postal Service an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Efficiency of Selected Processes – Woburn Main Post Office, Woburn, MA*.

Management agrees with the three findings on cash and inventories, daily financial activities, and clock ring errors. However, we disagree with the number of retail unit personnel sited in the report. The unit has 10 retail employees, not 18. As such, the resulting monetary impact associated with clock ring exceptions should also be less.

Management has begun taking steps to address these three findings.

A handwritten signature in black ink, appearing to read "Michael W. Rakes".

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Michael W. Rakes  
Manager, Massachusetts -Rhode Island District

cc: Vice President, Area Retail & Delivery Operations (Atlantic)  
Corporate Audit Response Management

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