# Time and Attendance Oversight at Richmond, VA, Regional Processing and Distribution Center

## MANAGEMENT ALERT

Report Number 26-023-2-R27 | October 29, 2026

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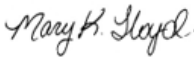
# Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

October 29, 2026

**MEMORANDUM FOR:** STEPHEN HUMIN
SENIOR DIVISION DIRECTOR, SOUTH ATLANTIC

JASON DECHAMBEAU
VICE PRESIDENT, PROCESSING OPERATIONS



**FROM:** Mary Lloyd
Deputy Assistant Inspector General for Operations,
Performance & Service

**SUBJECT:** Management Alert – Time and Attendance Oversight at Richmond, VA, Regional Processing and Distribution Center
(Report Number 26-023-2-R27)

This management alert presents issues identified during our ongoing audit of Management of the Enterprise Physical Access Control System (Project Number 26-023). The objective of this management alert is to quickly inform the U.S. Postal Service of a systemic deficiency in the oversight of staff time and attendance at the Richmond, VA, Regional Processing and Distribution Center (RPDC). These issues require immediate attention and remediation.

All recommendations require U.S. Postal Service Office of Inspector General's (OIG) concurrence before closure. Consequently, 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.

We appreciate the cooperation and courtesy provided by your staff. If you have questions or need additional information, please contact Todd Watson, Director Network Operations Team 1, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

# Results

## Introduction

This management alert presents the issues the U.S. Postal Service Office of Inspector General (OIG) identified during the Management of the Enterprise Physical Access Control System audit (Project Number 26-023). Our objective is to quickly inform the U.S. Postal Service of a systemic deficiency in the oversight of staff time and attendance at the Richmond, VA, Regional Processing and Distribution Center (RPDC). See Appendix A for additional information about this audit.

## Background

The Postal Service relies on internal controls, supervisory oversight, electronic time and attendance tracking systems, and facility badge systems to ensure employee workhours are accurately recorded and to verify who is entering and exiting Postal Service facilities. These controls help confirm that employees are paid correctly for the hours they work and reduce the risk of unauthorized, unrecorded, or inaccurate time.

The Postal Service uses the Time Attendance Collection System (TACS) to capture the workhours for each employee. Employees record their time by swiping a timecard at an electronic badge reader, also referred to as a time clock. Each swipe updates their timecard record in TACS; these entries are referred to as clock rings. Employees are normally required to have these four clock rings each day: begin tour,[1] out to lunch, in from lunch, and end tour. Postal Service policy permits employees to have an unpaid 30-minute lunch in a six-hour tour.[2] The Postal Service's payroll process relies on the timely and accurate recording of hours for each employee. Therefore, it is critical that hours entered in TACS accurately reflect the employees' time worked. Managers and supervisors are responsible for identifying discrepancies in time entries, adjusting when necessary, and maintaining appropriate supporting documentation of any corrections.

The Postal Service relies on a separate computerized card-based access control system, the Electronic Physical Access Control System (ePACS), to safeguard employees, facilities, and sensitive information.[3] The ePACS system controls facility access, records access history, and updates access — based on changes to employment status. Employees scan their separate ePACS badge to unlock doors, which allows for entry to and exit from a facility.

When employees report to a facility to begin their tour of duty, they must use their ePACS badge to enter the building, proceed to the time clock, and use their timecard to record their "begin tour" clock ring. If an employee misses a clock ring, supervisors should make manual adjustments.

Recently, our Office of Investigations identified instances of individuals absent from the Richmond RPDC but listed as "on the clock" in TACS and recording workhours. To evaluate the extent of employees absent while on the clock, we developed an analytical tool that compared employee ePACS badge entry and exit activity with corresponding TACS records from January 1 through August 31, 2026. The tool requires matching a physical badge to enter and exit the facility with a corresponding physical time clock entry. As a result, we could analyze only 521 employees of over 1,300 total employees at the Richmond RPDC. We flagged any event in which an employee remained clocked in but exited the building for one hour or longer and any tour in which the employee was clocked in but exited multiple times totaling two or more hours away. These incidents indicate a high risk for timecard fraud, or receiving pay for hours not actually worked.

1 The United States Postal Service uses the term tour to refer to a standard eight-hour work shift.
2 ELM 55 - Employee and Labor Relations Manual – Section 432.33 *Mealtime*, dated March 2024.
3 Facilities must implement ePACS if they exceed 60,000 square feet, have 200 or more employees, are a mail processing facility, serve as a data or technology center, or if a risk assessment determines there is a need.

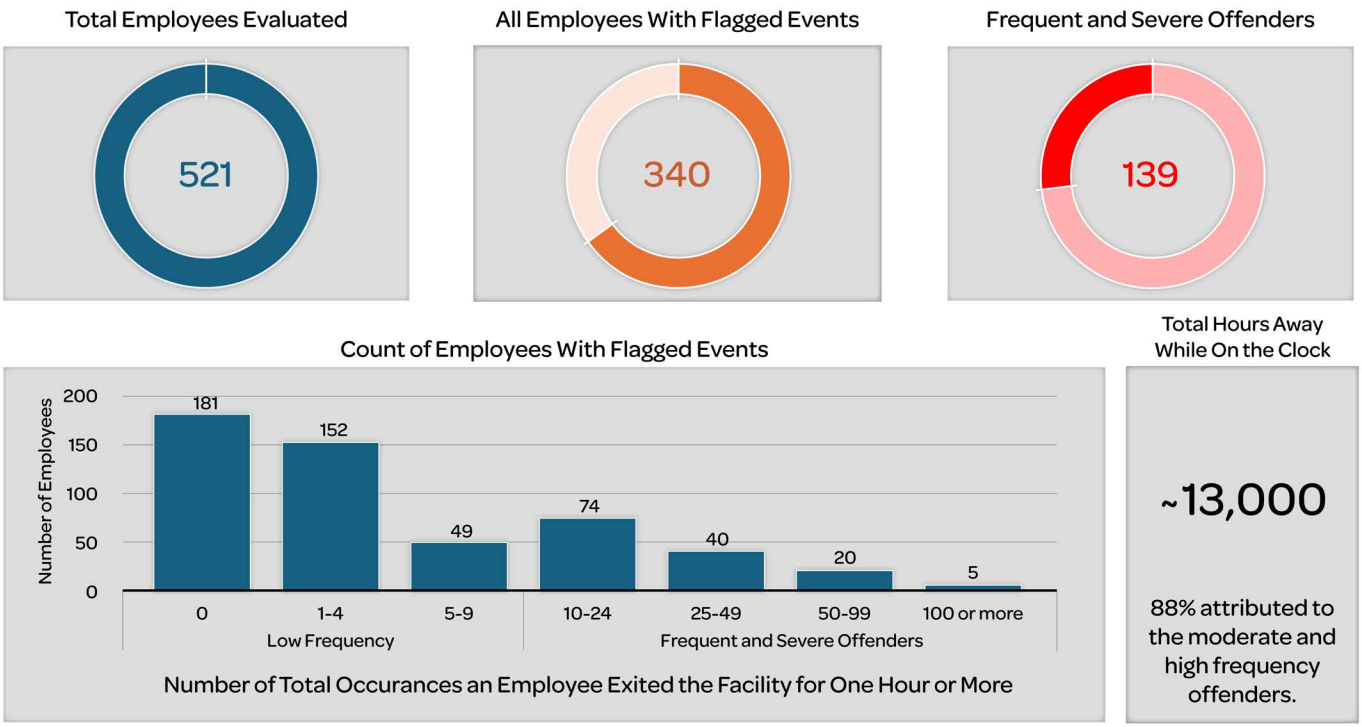
# Finding #1: High Risk of Employee Timecard Fraud

We found numerous instances where employees at the Richmond RPDC may be getting paid for time that they did not actually work. Specifically, we found that between January 1 through August 31, 2026, there were:

- 340 flagged employees (65 percent) – Employees that had at least one flagged event where they exited the building while on the clock for one hour or more.
- 139 frequent offenders (27 percent) – Employees that had 10 or more flagged events where they exited the building while on the clock for one hour or more.
- 35 severe offenders (7 percent) – Employees that were away, on average, an hour and a half or more while on the clock each day they worked.

While an employee with a small number of flagged events may have a valid justification, a significant number of employees were frequent or severe offenders having at least 10 or more tours flagged (see Figure 1).

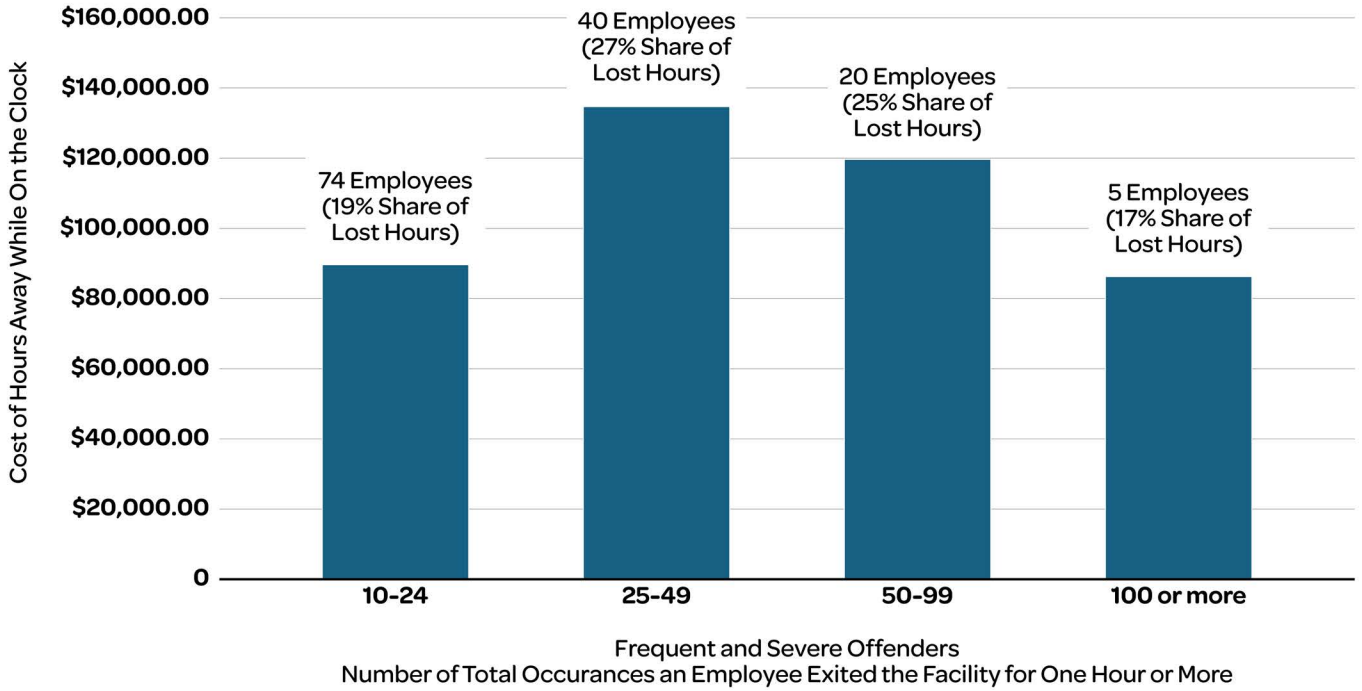
**Figure 1. Count of Employees by Number of Times They Exited for an Hour or More While Still Clocked In**




Source: USPS OIG analysis from TACS, ePACS, and Enterprise Data Warehouse (EDW) data.

The 139 frequent and severe offending employees exited the building for an hour or more 5,017 times across 4,334 tours, including 2,851 times where the employee was away for two hours or more. After accounting for approved lunch time, we determined that these 139 employees were paid for 11,867 workhours while away from the facility, equating to $429,973 in questioned costs for salaries and benefits paid (see Figure 2).

## Figure 2. Total Cost of Hours Away for Frequent and Severe Offenders




Source: USPS OIG analysis of TACS and ePACS data.

Of the 35 severe offenders who were consistently absent an average of 90 minutes or longer across every tour worked, 19 averaged an hour and a half to two hours away, 10 averaged two to three hours away, and six averaged three hours or more away (see Table 1).

## Table 1. Severe Offenders' Average Time Away From the Facility While on the Clock Between January 1 and August 31, 2026

| Average Time Away While on the Clock | Number of Employees | Average Daily Tour (Hours) | Total Tours Worked |
|---|---|---|---|
| Three Hours or More | 6 | 8.8 | 745 |
| Two to Three Hours | 10 | 8.4 | 907 |
| One Hour and 30 Minutes to Two Hours | 19 | 8.2 | 1,786 |
| **Total** | **35** | **8.4** | **3,438** |

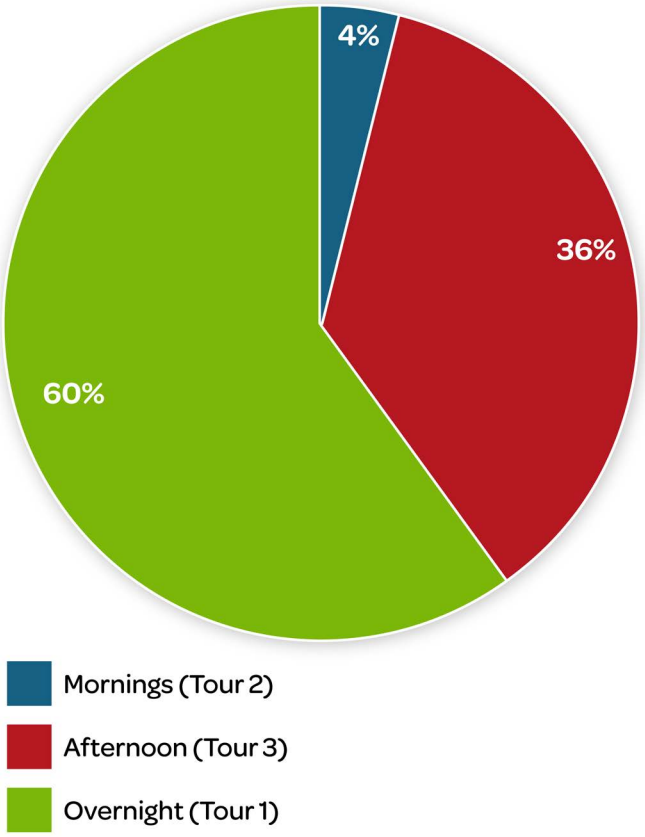
Source: USPS OIG analysis from TACS and ePACS data.

The OIG's Office of Investigations investigated the top six offenders at the Richmond RPDC between September 9 and 23, 2026. On September 9, our agents monitored and interviewed four of the six employees, with all four admitting to actions related to timecard fraud. The other two employees did not report for their scheduled shift. Our agents returned on September 17 and September 23 to interview the last two employees, both of whom also admitted to timecard fraud. All six top offenders have been removed from duty pending further investigation by Postal Service management, [redacted]

We found over 60 percent of the time and attendance issues occurred late at night during

the overnight tours. This overnight shift (Tour 1) had higher rates of issues despite similar workhours between each tour: Tour one and two accounted for 30 percent of the daily workhours, respectively, while tour three accounted for 40 percent of the daily workhours. (see Figure 3).

**Figure 3. Percent of Exit Events for One or More Hours January 1 - August 31, 2026**




Source: USPS OIG analysis of TACS and ePACS data.

Furthermore, between January 1 and August 31, 2026, we identified 239 tours where 38 employees were clocked into TACS with no corresponding ePACS entries. This averages to about one shift per day and could indicate that someone other than the employee is recording the time in TACS. Our Office of Investigations found that two of the employees they monitored had left the building while on the clock, and they were subsequently clocked out by other employees. In one instance, an employee clocked into TACS at 11:34 a.m. and left the building at 12:57 p.m. but did not clock out. The employee did not return for the remainder of their tour, and another employee later clocked them out at 10:09 p.m. TACS entries with no corresponding ePACS entry could also happen when an employee follows another individual through entry and exit points without scanning their own badges, or when an employee enters or exits through an unauthorized door without a badge reader, such as a dock door. Security guidelines[4] require all employees to individually scan their electronic badges at entry and exit points to maintain accurate facility access logs and support physical security accountability. When employees fail to use their badges to enter or exit the facility, management's ability to monitor who is in the facility and when is hindered.

These issues occurred because there was inadequate supervisory oversight to prevent or detect instances where employees remained clocked into TACS but not actually at the facility. When interviewed about these incidents, the plant manager stated that overarching supervision has failed, as supervisors and managers are required to run on-the-clock reports and visually verify those employees are present and working. The plant manager also noted personal relationships between supervisors and employees could have affected holding employees accountable for unauthorized absences. The plant manager commented that this issue existed prior to his arrival in 2026, and he has been attempting to fix it by addressing supervisor performance and limiting which time clocks employees can use to clock in and out.

Postal Service policy requires periodic unannounced attendance checks be performed at least once every six weeks. The attendance check provides management with the assurance that employees who are on the clock are accounted for.[5] Additionally, the installation head is ultimately responsible for the accuracy of the entries on employee timecards.[6] The Plant Manager Handbook[7] also requires the plant

4 USPS Handbook AS-805, Section 2, *Security Roles and Responsibilities*, dated September 2022.
5 USPS Handbook F-21, *Time and Attendance – section 142.7 Attendance Checks*, dated February 2016.
6 USPS Handbook F-21, *Time and Attendance – Contents – 113 Timekeeping Organization*, dated February 2016.
7 Plant Manager Handbook Version 1.0 – Section 6.f. *Staffing and Attendance Controls*, dated July 2024.

manager to monitor employee attendance, track attendance reviews, and address any concerns as they arise.

In a previous audit,[8] we identified that the Richmond RPDC experienced deficiencies related to leadership and staffing instability. Similar challenges persist at this location, and as of May 2026, a new plant manager was assigned to the facility as a "temporary fixer" to address issues at the facility. Since 2020, the Richmond RPDC has had three plant managers, eight managers of Distribution Operations, and 20 supervisors of Distribution Operations leave their positions.[9]

When employees are clocked in but not physically present to work their tour, the Postal Service loses out on both labor hours and on their ability to meet operational efficiency goals. Missed hours increase costs, delay mail processing, increase workloads on other employees, and reduce service reliability for customers. We estimate that the Postal Service paid $429,973 in questioned costs from January 1 through August 31, 2026, for hours paid to employees absent without authorization at the Richmond RPDC.[10]

### Recommendation #1

We recommend the **Division Director of South Atlantic** enforce attendance verifications for employees clocked into the Time Attendance Collection System and take administrative actions for employees not present.

### Recommendation #2

We recommend the **Division Director of South Atlantic** hold plant managers and supervisors accountable for monitoring time and attendance in accordance with policy to prevent potential time fraud risks.

### Recommendation #3

We recommend the **Vice President of Processing** implement an effective method for plant managers and supervisors to review Time Attendance Collection System, Electronic Physical Access Control System, cameras, and other controls to mitigate employee attendance issues.

### Recommendation #4

We recommend the **Division Director of South Atlantic** stabilize leadership and management retention at the Richmond Regional Processing and Distribution Center.

### Postal Service Response

Management agreed with the finding, recommendations, and monetary impact.

Regarding recommendation 1, management will enforce attendance verifications through increased supervisory monitoring of employee attendance, movement in and out of the building, compliance audits, observation roll calls, controlled breaks and lunches, security compliance checks, and documented service talks. The target implementation date is August 31, 2027.

Regarding recommendation 2, management will reinforce compliance through audits, corrective actions for violations, and manager and supervisor training. Furthermore, management will require a detailed 30-day improvement plan. The target implementation date is August 31, 2027.

Regarding recommendation 3, management will use existing and future analytical tools, conduct random spot checks using TACS on-the-clock reports, investigate outliers, take corrective actions when needed, and certify that reviews were completed. The target implementation date is August 31, 2027.

8 24-152-R25, *Network Changes - Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center*, issued January 27, 2025.
9 This count excludes individuals who served in an acting or temporary role.
10 A cost the OIG believes is unnecessary, unreasonable, or an alleged violation of law, regulation, or contract.

Regarding recommendation 4, management will require plant managers to submit improvement plans, have tour managers provide targeted training to supervisors, and conduct regular one-on-one meetings between plant managers and supervisors to improve leadership effectiveness. The target implementation date is August 31, 2027.

See Appendix B for management's comments in their entirety.

### OIG Evaluation

The OIG considers management's comments responsive for all four recommendations, as the corrective actions should resolve the issues identified.

Regarding the target implementation dates of August 31, 2027, the OIG considers this timeline to be excessive given the nature of the corrective actions. Specifically, recommendations 1 and 2 address standard supervisory oversight, compliance, and policy enforcement, which can be accomplished and closed earlier through updated guidance and immediate operational enforcement. The OIG investigation coupled with local management's reaction has already reduced the instances of employees leaving the facility while clocked in. Specifically, the number of hours employees that were clocked in but out of the facility decreased by 65 percent in the month following our review.

Therefore, we will coordinate with Postal Service management around opportunities to accelerate implementation and enforcement of their proposed actions to mitigate further timecard abuse and close the recommendations accordingly.

## Looking Forward

The Postal Service plans to modernize its timecards and electronic badge readers by replacing current readers with upgraded units compatible with employees' ePACS badges, eliminating the need for separate timecard badges. The Postal Service believes the new readers can provide improved time and attendance controls by integrating ePACS and TACS. This would allow the Postal Service to build system logic that prevents an employee from clocking in unless they have badged into the building. Additionally, these upgrades would allow the Postal Service to automatically clock out an employee after they left the facility for a predetermined amount of time. The Postal Service is planning to pilot this project in FY 2026 and deploy it to Richmond in January 2027. However, our parent audit Enterprise Physical Access Control System (Project Number 26-023) found significant control deficiencies within ePACS. These control deficiencies can hinder the application of any new time and attendance system reliant on ePACS. The Enterprise Physical Access Control System audit is scheduled to be released in early FY 2027.

# Appendix A: Additional Information

## Scope and Methodology

The scope of this management alert focused on evaluating the risk of timecard fraud occurring at the Richmond RPDC. To accomplish our objective, we:

- Reviewed policies, procedures, manuals, and training materials to gain an understanding of ePACS and TACS.
- Interviewed plant management to understand the issues identified.
- Reviewed OIG investigative reports.
- Reviewed and analyzed Postal Service data from TACS and ePACS between January 1, 2026, through August 31, 2026, for the Richmond RPDC. Specifically, we matched TACS clock rings against physical ePACS turnstile swipes on each individual employee.

This management alert presents issues identified during the Management of Enterprise Physical Access Control System (Project Number 26-023) audit announced in January 2026. We conducted this performance audit from August 2026 through September 2026 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.

On September 18, 2026, we notified management of our intent to issue this report prior to drafting this management alert. We discussed our observations and conclusions with management on October 05, 2026, and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of timekeeping administration internal control structure 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 that the following three components were significant to our audit objective: control environment, control activities, and monitoring.

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

We assessed the reliability of TACS and ePACS data by conducting performance tests for completeness, reasonableness, accuracy, and validity. 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 |
|---|---|---|---|---|
| *ePACS Access Controls* | To determine whether supervisors' workhours were accurately recorded and determine whether supervisors performed timekeeping duties in accordance with policy. | 26-023-1-R26 | 06/21/2026 | N/A |
| *Technology, Infrastructure, and Site Security Review* | To determine whether the Postal Service established adequate controls at select processing and distribution centers in the Florida Gulf Atlantic Division. | 24-133-R25 | 03/21/2025 | N/A |
| *Supervisor Timecard Administration* | Determine whether supervisors' workhours were accurately recorded and to determine whether supervisors performed timekeeping duties in accordance with policy. | 22-128-R23 | 02/16/2023 | N/A |
| *Network Changes - Progress on Improvements at Richmond, VA, Regional Processing and Distribution Center* | Our objective was to evaluate operations and service performance at the Richmond RPDC and follow up on corrective actions taken by the U.S. Postal Service resulting from our prior audit to improve performance. We conducted observations of the Richmond RPDC from October through December 2024. | 24-152-R25 | 01/27/2025 | $2,358,151 |

Additional information or recommendations regarding the issues addressed in this management alert may also be included in the final report resulting from our related ongoing audit.

# Appendix B: Management's Comments

UNITED STATES POSTAL SERVICE

October 15, 2026

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Management Alert - *Time and Attendance Oversight at Richmond, VA Regional Processing and Distribution Center 26-023-2-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, *Time and Attendance Oversight at Richmond, VA Regional Processing and Distribution Center*

**Address the Findings**:
USPS generally agrees with the findings stated in the report.

USPS agrees with the monetary impact as stated overall.

The following are our comments on the four recommendations:

Recommendation 1:
We recommend the **Division Director of South Atlantic** enforce attendance verifications for employees clocked into the Time Attendance Collection System and take administrative actions for employees not present.

Management Response/Action Plan:
Management **agrees** with this recommendation.

- Supervisors will be required to print an employee "On the Clock" report and verify all employees under their authority are accounted for and in their assigned work area, unless on an official break or lunch
- Tour Managers will be required to monitor employee movement in and out of the building by reviewing ePAC transaction reports
- Tour Managers will be required to conduct compliance audits
- Supervisors will be required to conduct work observation roll calls
- Tour Managers will implement controlled lunches and breaks
- Tour Managers will be required to ensure compliance with security checks for breaches
- Tour Managers and Supervisors will be required to documented service talks
- Plant Managers are required to conduct audits for compliance

Target Implementation Date: 08/31/2027

Responsible Official:
Plant Manager, Manager, Processing Support, Senior Manager, Distribution Operations, Manager, Distribution Operations, Maintenance Manager, Supervisors

Recommendation 2:
We recommend the **Division Director of South Atlantic** hold plant managers and supervisors accountable for monitoring time and attendance in accordance with policy to prevent potential time fraud risks.

Management Response/Action Plan:
Management **agrees** with this recommendation.

- Plant Managers are required to conduct compliance audits
- Corrective Actions for Manager with violations
- Manager/supervisor training on employee management will be conducted by Plant Manager and will include expectations. Certification submitted to Division Director.
- Plant Manager 30 Day Improvement Plan/Review with Division Director will be required.

Target Implementation Date: 08/31/2027

Responsible Official:
Plant Manager, Manager, Processing Support, Senior Manager, Distribution Operations, Manager, Distribution Operations, Maintenance Manager, Supervisors

Recommendation 3:
We recommend the **Vice President of Processing** implement an effective method for plant managers and supervisors to review Time Attendance Collection System, Electronic Physical Access Control System, cameras, and other controls to mitigate employee attendance issues.

Management Response/Action Plan:
Management **agrees** with this recommendation.

Management will fully utilize current and future enhanced tools available to site management to identify outliers and take corrective actions. Additionally, management will conduct random spot checks to identify outliers utilizing TACS on the clock report and certify to their Sr. Division Director that these checks have been conducted with the results provided and kept on file to be sent to the Vice President of Processing upon request.

Target Implementation Date: 08/31/2027

Responsible Official: Executive Plant Manager, Richmond RPDC

Recommendation 4:
We recommend the **Division Director of South Atlantic** stabilize leadership and management retention at the Richmond Regional Processing and Distribution Center.

Management Response/Action Plan:
Management **agrees** with this recommendation.

Division Director does not select Executive Plant Managers

- Plant Manager will send Division Director implemented plan for improvement
- Tour Managers will be required to conduct training with supervisors. Topic specific
- Supervisor one on one meetings with Plant Manager

Target Implementation Date: 08/31/2027

Responsible Official:
Regional Vice President, Division Director, Executive Plant Manager

E-SIGNED by Jason DeChambeau
on 2026-10-14 13:57:21 EDT

Jason R. DeChambeau
Vice President, Processing Operations

E-SIGNED by Stephen Humin
on 2026-10-14 13:49:17 EDT

Stephen J. Humin
Sr. Division Director, Processing Operations, South Atlantic

cc: *Corporate Audit & Response Management*

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This document contains sensitive information that has been redacted for public release. These redactions were coordinated with USPS and agreed to by the OIG.