



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

**Caller and Reserve Service
Operations**

Audit Report

January 3, 2013

Report Number DP-AR-13-001



HIGHLIGHTS

January 3, 2013

Caller and Reserve Service Operations

Report Number DP-AR-13-001

BACKGROUND:

Caller service is a premium service, available for a fee, to customers who want to pick up their mail at a designated U.S. Postal Service unit. Customers obtain this service when they routinely receive more mail than can be delivered to the largest installed Post Office Box or need to collect mail periodically during the day. Caller service mail is separated for each caller service address paid by the customer. Reserve service allows customers to reserve preferred caller addresses for a minimal fee.

As of August 2012, the Postal Service collected \$86.4 million in revenue from 79,786 caller and 106,110 reserve service addresses issued to 55,957 customers. Caller and reserve service allows large-volume customers the flexibility to manage their mail to best suit their needs.

Our objective was to determine whether the Postal Service is managing the caller and reserve service operations to collect all revenue due the Postal Service.

WHAT THE OIG FOUND:

The Postal Service did not effectively manage caller and reserve service operations to collect all revenue due the Postal Service. Specifically, Postal Service employees did not

enforce applicable caller and reserve service policies or procedures and did not always charge customers for caller and reserve services provided. For example, employees did not always review accounts to determine whether customers had paid all required fees.

Further, they did not establish a system to measure program effectiveness, such as monitoring results of annual caller service reviews. As a result, we identified \$3.8 million in annual revenue the Postal Service is at risk of losing. Additionally, we identified \$415,000 of annual revenue loss attributed to unpaid caller and reserve fees.

WHAT THE OIG RECOMMENDED:

We recommended the Postal Service evaluate the feasibility of implementing an automated process to identify unassigned or inactive caller and reserve addresses, update criteria, and provide adequate training for necessary employees for caller and reserve service. We also recommended the Postal Service ensure that districts collect all delinquent fees identified in the annual reviews and our audit, require districts to review all caller service accounts, update annual caller and reserve instructions, and provide system access to coordinators.

[Link to review the entire report](#)



January 3, 2013

MEMORANDUM FOR: MICHAEL J. AMATO
VICE PRESIDENT, ENGINEERING SYSTEMS

GREG G. GRAVES
ACTING VICE PRESIDENT, DELIVERY AND POST
OFFICE OPERATIONS

TIMOTHY F. O'REILLY
VICE PRESIDENT, CONTROLLER

KELLY M. SIGMON
VICE PRESIDENT, CHANNEL ACCESS

A rectangular box containing a handwritten signature in cursive that reads "John E. Cihota". A small yellow question mark icon is located in the top right corner of the box.

FROM: John E. Cihota
Deputy Assistant Inspector General
for Financial and Systems Accountability

SUBJECT: Audit Report – Caller and Reserve Service Operations
(Report Number DP-AR-13-001)

This report presents the results of our audit of Caller and Reserve Service Operations (Project Number 11BG020FF000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Kevin H. Ellenberger, director, Data Analysis and Performance, or me at 703-248-2100.

Attachments

cc: Megan J. Brennan
Ellis A. Burgoyne
Joseph Corbett
Deborah M. Giannoni-Jackson
Nagisa M. Manabe
Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of Caller and Reserve Service Operations (Project Number 11BG020FF000). Our objective was to determine whether the U.S. Postal Service is managing caller and reserve service operations to collect all revenue it is due. This self-initiated audit addresses financial risk. See [Appendix A](#) for additional information about this audit.

Caller service is a premium service, available for a fee, to customers who want to pick up their mail at a designated Postal Service unit. Customers obtain this service when they routinely receive more mail than can be delivered to the largest installed Post Office Box (PO Box™) or need to collect mail periodically during the day. Caller service mail is separated for each caller service address¹ the customer pays for. Reserve service allows customers to reserve preferred caller addresses for a minimal fee. Additionally, a customer can pay a semiannual fee of between \$440 and \$700 for one caller address and pay the yearly reserve service fee of \$42 for any additional address they wish to use now or in the future. If the customer uses a reserve service address now, that mail would not be separated but, instead, be delivered and comingled with all mail received for that customer. Caller and reserve service is a valuable product the Postal Service provides to large volume customers to allow them the flexibility to manage their mail to best suit their needs. Customers may also elect to receive firm holdout service if they meet the requirements. This service enables customers to pick up their own street-addressed mail at the Post Office once a day at the time the postmaster specifies. The Postal Service allows this when the customer normally receives 50 letters or more on the first delivery trip.

Unit personnel must accurately maintain all customer information in the Web Box Activity Tracking System (WebBATS)² to effectively manage the caller and reserve service address inventory and ensure that customers timely pay all caller and reserve fees. Postal Service management recognized the importance of the integrity of this process and implemented an annual, nationwide caller and reserve service review (annual review) as a tool to facilitate the discovery and collection of unpaid caller and reserve fees. The annual review requires unit personnel to run caller and reserve service reports and use them to evaluate inactive caller and reserve accounts to determine whether a fee is due.

¹ A number assigned through the Address Management System, specifically for caller service. The assigned number is used in the mailing address as a PO Box number, placed above the city, state, and zone improvement plan (ZIP)+4® Code line. The PO Box number does not necessarily represent a physical PO Box. The Address Management System is the national Postal Service database of every delivery address with its ZIP Code, ZIP+4 Code, and city and state name that serves as the foundation of data for all address correction tools. Address Management System employees are responsible for adding and deleting caller and reserve records that update WebBATS.

² A web-based application that allows units to manage PO Box and caller and reserve services. WebBATS is used to post payments and refunds, assign special designations for a unit, and generate various reports.

Additionally, effective management of caller and reserve services depends on customers following the Postal Service's address mailing standards on all mailpieces. Currently, Postal Service data systems do not monitor customer compliance. Unit personnel would have to monitor all caller and reserve service mail every day to ensure that customers comply with program requirements. Many units receive thousands or tens of thousands of caller and reserve service mailpieces daily, thereby making manual monitoring impossible. The Postal Service created WebBATS coordinator positions to assist the units in managing caller and reserve service operations. WebBATS coordinators support the units by helping them complete their annual reviews, interpret criteria, and answer system-related issues.

As of August 2012, the Postal Service collected \$86.4 million in revenue from 79,786 caller and 106,110 reserve service addresses issued to 55,957 customers.

Conclusion

The Postal Service did not effectively manage caller and reserve service operations to collect all revenue it was due. Specifically, Postal Service employees did not enforce applicable caller and reserve service policies or procedures and did not always charge customers for caller and reserve services provided. For example, employees did not always review accounts in WebBATS to determine whether customers had paid all required fees. Further, although the Postal Service established mailing requirements and developed WebBATS to monitor caller and reserve services, it did not establish a system to measure program effectiveness. For example, the Postal Service does not track all annual caller and reserve service audit results to identify and correct system issues, provide access to nationwide data in WebBATS, provide feedback on problems that units are encountering, and link mailing data systems to WebBATS to identify all customers using inactive and unassigned caller and reserve service addresses.

As a result, we identified \$3.8 million in annual revenue the Postal Service is at risk of losing. Additionally, we identified \$415,000 of annual revenue loss attributed to unpaid caller and reserve fees.

Caller and Reserve Policies and Procedures

Postal Service employees did not enforce applicable caller and reserve service policies and procedures and did not always charge customers for caller and reserve services provided. For example, employees allowed customers to use street addresses in lieu of the caller and reserve service address, as required. This occurred because the guidance related to the caller and reserve service operations was inconsistent, vague, or difficult to locate; and the training available to unit personnel was not required and, if taken, did not provide individuals with an adequate understanding of the subject matter. Furthermore, district WebBATS coordinators had limited access to WebBATS, which also contributed to the ineffective management of caller and reserve service. We identified \$3.8 million in annual revenue at risk of not being collected. Additionally, we

identified \$415,000 of annual revenue loss attributed to unpaid caller and reserve fees. See [Appendix B](#) for the monetary and other impacts calculations.

Collecting Fees for Caller and Reserve Service

We examined the results of 300 caller and reserve service unit reviews³ performed at 249 units in fiscal year (FY) 2012.⁴ We concluded that unit personnel did not consistently enforce caller and reserve service policy and the annual reviews did not always identify and correct instances of policy not being enforced. Specifically, we determined that:

- One hundred seven of the 300 unit annual reviews (36 percent) did not adequately document an investigation into 2,498 caller and reserve service addresses classified as inactive⁵ but still receiving mail. Annual reviews require unit personnel to evaluate inactive accounts to determine whether a fee is due. Additionally, district WebBATS coordinators are required to examine the completed review and follow up on all discrepancies. As a result of employees not following these requirements, units may not have collected \$2.3 million in caller and reserve fees from 2,498 accounts.
- Fifty-one of the 300 unit reviews (17 percent) identified 451 delinquent and uncollected caller and reserve fees valued at \$336,000. Of the same 300 units, only seven reviews (2 percent) performed in FY 2011 identified delinquent fees totaling \$20,000. We determined that an additional 76 of the 451 delinquent caller and reserve fees should have been identified during the FY 2011 reviews. As a result, we identified \$273,000 in lost revenue. We are recommending the Postal Service work with customers to collect the lost revenue.

Also, in conjunction with the annual reviews, we asked the units to complete a questionnaire developed by the U.S. Postal Service Office of Inspector General (OIG). The purpose of the questionnaire was to evaluate the units' understanding of caller and reserve service by obtaining additional information regarding their caller and firm holdout customers.⁶ We received responses from 222 of the 249 units (89 percent) and found that the units did not understand caller service mailpiece addressing requirements. Additionally, units did not understand the differences between when customers should pay for caller service and when customers were eligible to receive the free firm holdout service.

³ The Postal Service implemented the annual caller and reserve service reviews to assist units in identifying uncollected caller and reserve service revenue. Unit management must perform these reviews and investigate all noted discrepancies.

⁴ A unit must complete a caller and reserve service review for each separate ZIP Code having a caller or reserve service address; therefore, some units might need to complete more than one review. Two hundred and forty-nine individual units performed the 300 reviews we evaluated.

⁵ The inactive accounts were identified using a report created from data contained in the Electronic Uncoded Address Resolution Service (eUARS) system. This system is a web-based application that works with mail processing equipment. It can correct change-of-address records without a ZIP Code that do not match an established delivery point in the Address Management System database.

⁶ These questionnaires were separate from the online surveys discussed in Appendix C.

Specifically:

- Sixty-one of the 222 units (27 percent)⁷ allowed customers to use street addresses in lieu of the caller and reserve service address, as required. Based on responses to our questionnaire, the Postal Service identified 1,132 instances of customers using street addresses on their mail. The annual review does not require units to manually test for this situation, as Postal Service automated systems cannot detect this condition. When customers do not comply with Postal Service addressing policy and units do not enforce the policy, there is a risk that the Postal Service will not detect when caller and reserve service customers do not pay their fees. As a result, 1,132 customers using street addresses placed \$1.2 million of annual revenue at risk.
- Thirty-four of the 222 units (15 percent) were providing free firm holdout service when the customers were receiving caller service. Unit personnel believed the customers qualified for free firm holdout service although they did not meet the requirements of (1) daily receiving more than 50 mailpieces, (2) only picking up their mail once per day, or (3) meeting mailpiece addressing standards. Based on responses to our questionnaire, the Postal Service identified 189 out of 1,063 (18 percent) customers who were receiving caller service but were not charged. We calculated \$208,656 of annual revenue at risk of not being collected. If we applied the 18 percent error rate to the total number of firm holdout customers, we estimate that as many as 19,272 customers⁸ are receiving the free firm holdout service nationwide.

We also examined caller and reserve service operations at 31 judgmentally selected units. We contacted 20 units based on a review of their eUARS report results, which identified mail volume for inactive caller and reserve service customers. We selected an additional 11 units and performed on-site testing. We determined that:

- One unit visited provided caller service for 36 addresses but was charging for reserve service. The customer was only paying the reserve service fee of \$42 instead of the \$1,060 caller service fee for each of the 36 caller addresses. The customer originally set up the accounts as reserve service but later asked the unit to separate the mail, thereby making each address caller service. However, the unit never changed the reserve service fee to the caller service fee. Based on our analysis, we identified \$35,588 in lost revenue annually.
- At one unit visited, nine of 17 customers (53 percent) used unassigned or inactive caller and reserve service addresses. Employees did not identify these customers or collect \$19,000 in applicable caller and reserve service fees.

⁷ The percentage is based on the number of units that responded.

⁸ We identified 1,063 firm holdout customers at 222 units. Of those 1,063 customers, 189 (17.78 percent) receive free caller service. Nationally, there are 108,391 firm holdout customers. We estimate 19,272 customers (17.78 * 108,391) receive free caller service.

- Employees at 11 of 20 units (55 percent) contacted did not charge \$88,000 in annual caller and reserve service fees for 49 caller and reserve service customers.⁹ During the audit, the Postal Service collected \$78,000 in delinquent fees from 46 of those customers.

See [Appendix B](#) for the monetary and other impacts calculations.

Caller and Reserve Service Guidance

Guidance related to caller and reserve service operations was inconsistent, vague, or difficult to locate. We identified conflicting procedures outlined in different Postal Service manuals, with neither providing clear procedural guidance on how to address delinquent accounts. Obtaining direction often required employees to search multiple sources, spread out over various locations on the Postal Service's website. This made it difficult for employees to search and find answers to their questions. Some guidance was only found in Frequently Asked Questions (FAQ), PowerPoint presentations, and the *Retail Digest* newsletter located in various areas on the Postal Service's intranet site (Blue Pages). As a result, employees were confused and did not know what policy to follow.

During the course of the audit, we conducted four individual online surveys to gather feedback from WebBATS coordinators, unit managers, and unit clerks associated with the caller and reserve service operations for 400 judgmentally selected ZIP Codes. The OIG conducted the surveys to gain insight into the coordinators' involvement and understanding of the caller and reserve service process. See [Appendix C](#) for comments from the surveys relevant to issues with criteria, training, annual reviews, and WebBATS access.

According to our surveys of WebBATS coordinators and unit managers, we found 81 percent of district WebBATS coordinators and 61 percent of unit personnel that manage caller and reserve service believed the policies and procedures were confusing, inconsistent, not detailed enough, or difficult to locate. Further, during interviews, we determined that unit personnel did not always receive clear and consistent guidance when seeking assistance from management. On separate occasions, two different district Postal Service employees determined that caller service customers were circumventing Postal Service policy by not adhering to the proper mail addressing regulations. Instead of using the caller service address on their mailpiece as required, one customer used their own unassigned numbers. Both employees contacted different headquarters managers to determine how to resolve the situations but received guidance inconsistent with criteria.

Postal Service Headquarters personnel acknowledged that guidance in the manuals is inconsistent, but they do not have the funding to update it. As a result of information in reference manuals being incomplete, employees were forced to search for clarification or other guidance in various locations on Postal Service websites, instead of a single

⁹ We identified the delinquent accounts by comparing plant mailing data obtained from eUARS with customer account data obtained from WebBATS.

source. This made it difficult and time consuming for employees to search and find answers to questions. We identified the following examples:

- Postal Service policy states that caller service customers must use their assigned caller service address, but a postmaster may exempt any customer continuously receiving firm holdout service since July 3, 1994, from the requirement.¹⁰ Some unit personnel are using this exemption to support allowing customers to use their street address on mailpieces instead of their assigned caller service address. However, through interviews we determined that unit personnel did not understand the criteria and, therefore, interpreted the exemption incorrectly. As a result, Postal Service Headquarters management informed us they are considering removing or revising this criterion in a future update to the manual.
- The DMM states that if a caller uses a physical PO Box to obtain caller service, the customer must pay applicable fees for both PO Box service and caller service.¹¹ Furthermore, the Postal Service website says, “Caller Service is a physical PO Box generally used as a caller service number.” However, there is Postal Service guidance that contradicts this, stating that no physical PO Box may be used to provide a caller service address.¹²
- The DMM and POM refer to a Postal Service (PS) Form 1093, Application for Post Office Box or Caller Service, which customers use to apply for both a PO Box and caller service.¹³ However, according to the Postal Service website, the form was replaced with the PS Form 1093-C, Application for Post Office Caller Service. We found a unit using the incorrect form for all caller and reserve customers because they were unaware an updated form existed.
- The POM indicates that units must maintain a PS Form 1091-B, Register for Caller Service Fees.¹⁴ However, the FAQ portion of the WebBATS website indicates these forms are obsolete.
- Neither the DMM nor the POM provides clear guidance to follow when caller service customers do not pay their fees on time. There are vague references to steps the unit must follow, but neither manual outlines the process from start to finish. In addition, the POM often refers to sections in the DMM that no longer exist.

¹⁰ *Domestic Mail Manual (DMM)* Section 508.5.2.6.

¹¹ DMM Section 508.5.5.4.

¹² *Postal Operations Manual (POM)* Section 842.114.

¹³ DMM Section 508.5.3.1 and POM Section 841.121.

¹⁴ POM Section 842.217.

Caller and Reserve Service Training

The training available to unit personnel is not sufficient. We identified two online training courses offered on the Postal Service's Learning Management System website.¹⁵ Based on our evaluation of the available training courses, along with feedback from unit personnel, we determined that current Postal Service training does not provide individuals with an adequate understanding of the subject matter. In addition, there is currently no requirement for employees to participate in any caller and reserve service training courses.

One course, developed for retail associates and PO Box clerks, provided only a basic overview on using the Point-of-Service System¹⁶ and WebBATS to manage the caller and reserve service operations. It briefly described how to initiate and renew caller and reserve service but did not have specific instructions on how to address operational issues that may arise or address mailing requirements. The second course, developed for unit managers and supervisors, offered a basic overview on how to conduct the annual caller and reserve service reviews. We determined that it contained outdated references to procedures no longer applicable. Based on the results of our examination of the reviews and interviews, we determined that many of the individuals involved in performing the annual reviews do not fully comprehend the process and would benefit from having a more detailed understanding of why they need to perform the reviews, along with a detailed explanation of the reports used.

According to our surveys of unit employees and WebBATS coordinators,¹⁷ 51 percent of unit employees reported they did not take caller and reserve service training and 56 percent of the district WebBATS coordinators reported that they did not have formal training. Of the coordinators who did have training, 53 percent said it was not sufficient or detailed enough. However, we did not identify training specifically for WebBATS coordinators. These coordinators are essential to ensuring that unit personnel effectively manage caller and reserve services. In response to our survey, only 14 percent of district WebBATS coordinators reported that they fully understood their role. Further, 53 percent of the district WebBATS coordinators believe that they do not have the necessary knowledge and understanding of caller and reserve operations to adequately address questions and concerns from unit personnel.

Access to Web Box Activity Tracking System Data

We also determined that district WebBATS coordinators had limited access to WebBATS. The coordinators assist units¹⁸ with tasks, such as billing questions, correcting payment errors, and providing guidance. Generally, because unit

¹⁵ A system available through the Postal Service's intranet site (Blue Pages), which provides employees with the ability to request, approve, and engage in training electronically.

¹⁶ The primary hardware and software system used to conduct retail sales transactions at post offices. This system automates and simplifies retail transactions and captures transactional data related to products and services sold.

¹⁷ See Appendix C for survey responses relevant to issues with criteria, training, annual reviews, and WebBATS access.

¹⁸ On average, each coordinator supports about 470 units.

management provides the only level of oversight, the coordinators work with the units to investigate and monitor caller and reserve service issues. However, we believe limited or no access to WebBATS contributed to the ineffective management of caller and reserve service.

Headquarters management stated that direct access to WebBATS is not necessary for the WebBATS coordinators to perform their duties and directed the coordinators to connect to unit computers and view WebBATS remotely. However, WebBATS coordinators indicated that this alternative is not effective and that they need the access to provide adequate assistance to the units. An OIG survey of district WebBATS coordinators found 82 percent believes NetMeeting is not an adequate alternative to having access to WebBATS. In addition, 90 percent of the coordinators stated they need access to WebBATS to perform their job efficiently and effectively. For example, the coordinators explained that having to rely on remotely viewing WebBATS prevents them from being proactive. The coordinators cannot pull any reports or research any issues without having a unit employee take them through WebBATS. The coordinators also said it takes them longer to assist the units by remotely viewing WebBATS because they often have to wait while unit employees are pulled away to perform other duties, such as waiting on customers. Other issues cited were slow internet access and the unit's unfamiliarity with using WebBATS.

The WebBATS coordinators also stated that having WebBATS access would enable them to perform more frequent monitoring of the unit's caller and reserve issues. It would also provide them with the necessary hands-on experience and working knowledge of the system needed to assist the units properly. See [Appendix C](#) for additional information on the OIG survey.

We discussed WebBATS access with the Postal Service's chief privacy officer and WebBATS program manager and they explained the data maintained in WebBATS is sensitive because it contains personally identifiable information relating to customers. Some data elements are sensitive by themselves, such as social security numbers, and some become sensitive when linked with other data elements, such as an address when linked with a name. However, we discussed this concern with the Information Technology (IT) department and they indicated they could restrict viewing access and not allow access to sensitive data.

Measuring the Effectiveness of the Caller and Reserve Program

Although the Postal Service established mailing requirements and developed WebBATS to monitor caller and reserve service, the Postal Service did not establish a system to measure the effectiveness of the program. For example, the Postal Service does not currently:

- *Track the results of the annual audits.* Information such as time spent, discrepancies noted, and additional revenue collected for each annual review is not centrally recorded and, therefore, cannot be evaluated. During the audit, we

evaluated 300 annual reviews the units conducted. Thirty-one percent of delinquent caller service customers that the Postal Service identified in the FY 2012 reviews should have been identified in the FY 2011 reviews. Headquarters and WebBATS coordinators would benefit from a system that tracked, evaluated, and determined the cost effectiveness of the annual reviews.

- *Provide access to nationwide caller and reserve service data in WebBATS.* The Postal Service does not currently have the ability to view and analyze data in WebBATS and provide feedback to unit personnel on potential problem areas. For example, it is not possible for someone to generate payment history or delinquent reports for all customers to see when customers are delinquent. Headquarters personnel expected that recent system upgrades to WebBATS would give them the ability to obtain data and run nationwide reports. However, the upgrades did not meet their requirements. The Accounting Service Center¹⁹ in San Mateo, CA can create reports but to do so requires sufficient justification and funding. Not having easily available access to nationwide data in WebBATS limits the ability of personal responsible for oversight to assess issues in the area, district, and individual units.
- *Link mailing data systems to WebBATS.* Currently, the Postal Service does not have an effective method to identify all customers using inactive and unassigned caller and reserve service addresses. For example, we judgmentally selected two trays of mail at one site visited and identified one customer using 238 reserve service addresses for which the company had not applied for, or paid to use, resulting in about \$10,000²⁰ in free reserve service annually. An automated system using mail processing equipment to capture data and comparing the machine data to customer data in WebBATS would add to the Postal Service's ability to identify customers who did not pay their required fees and, ultimately, increase revenue.

As of August 2012, the Postal Service collected \$86.4 million in revenue from 79,786 caller and 106,110 reserve service addresses issued to 55,957 customers. Without a more reliable, data-driven process, the Postal Service will have to continue to rely on manual processes and manual annual reviews to ensure they collect all revenue.

Recommendations

We recommend the vice president, Engineering Systems:

1. Implement, if feasible, an automated process to identify all inactive or unassigned caller and reserve service addresses by linking mailing data systems to the Web Box Activity Tracking System.

¹⁹ An accounting and disbursing facility that provides accounting support for postal activities. Service centers are located in San Mateo, Minneapolis, and St Louis. Each specializes in one or more accounting functions, such as payroll, accounts payable, and money orders.

²⁰ Two hundred thirty-eight reserve service addresses multiplied by the annual reserve service fee of \$42 equals \$9,996. We included this amount above as part of the \$19,000 in annual revenue loss calculated when we found customers using unassigned or inactive caller and reserve service addresses during a site visit.

2. Provide area and district Web Box Activity Tracking System (WebBATS) coordinators with access to WebBATS so they can effectively and efficiently provide support to the field and provide appropriate headquarters personnel nationwide access so they can effectively and efficiently support the WebBATS coordinators.

We recommend the acting vice president, Delivery and Post Office Operations, in coordination with the vice president, Channel Access:

3. Update caller and reserve service policies and procedures so they are consistent, clear, accurate, and easily located and accessible in one place.
4. Update the annual caller and reserve service review instructions to include identifying caller service customers using street address and firm holdout customers who do not meet mail volume requirements.

We recommend the vice president, Channel Access, in coordination with the acting vice president, Delivery and Post Office Operations:

5. Develop and provide adequate training to unit employees, managers, and Web Box Activity Tracking System coordinators assigned to caller and reserve service.

We recommend the acting vice president, Delivery and Post Office Operations:

6. Follow up with the areas to ensure district and field units collect delinquent fees identified during the annual reviews and our audit.
7. Establish a process to track and evaluate the effectiveness of the annual audits.

We recommend the acting vice president, Delivery and Post Office Operations, in coordination with the vice president, Controller:

8. Require the areas to ensure districts and field units review caller service and firm holdout accounts to determine if they were established according to policy and applicable revenue is collected.
9. Update the annual caller and reserve service review instructions to include identifying caller service customers using street address and firm holdout customers that do not meet mail volume requirements.

Management's Comments

Management agreed with recommendations 1 and 3 through 9 and disagreed with recommendation 2. Management neither agreed nor disagreed with the monetary impacts.

Engineering Systems will continue to evaluate recommendation 1 to automate the process to identify all inactive or unassigned caller and reserve service addresses by linking mailing data systems to WebBATS. They anticipate responding to the OIG by January 4, 2013.

Delivery and Post Office Operations will collaborate with Channel Access to address recommendations 3 and 4 to update policies and procedures related to caller and reserve service by July 1, 2013.

Channel Access will address recommendation 5 by reviewing and updating two caller and reserve training courses by July 1, 2013.

Delivery and Post Office Operations will collaborate with Finance to address recommendation 6 by ensuring that district and field units collect delinquent fees identified during the annual reviews and will address recommendation 7 by establishing a process to track and evaluate the effectiveness of the annual audits. Management estimates addressing these recommendations by March 31 and July 1, 2013, respectively. Further, Delivery and Post Office Operations will collaborate with Finance to address recommendations 8 and 9 related to firm holdout customers and applicable procedures. Management estimates completing corrective action for these recommendations by March 31 and July 1, 2013, respectively.

Management disagreed with recommendation 2, which proposed providing area and district WebBATS coordinators, as well as appropriate headquarters personnel, access to WebBATS. Management disagreed for the following reasons:

- WebBATS contains sensitive personally identifiable information that is protected by the Privacy Act. Allowing headquarters personnel or area and district coordinators access to individual customer records to assist with system support is not an allowable disclosure under the Privacy Act.
- Modifying the WebBATS application to allow access to limited data would require a significant financial expense.
- WebBATS coordinators have tools they can use if they need to assist a site with any issues. By using NetMeeting or Remote Assistance (ACE3), they can connect to the caller's personal computer to see what the issue is and help resolve it.
- Multiple reports are generated and made available to the coordinators that assist them in tracking site compliance. This allows them to call or visit the sites that are having problems with WebBATS.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 3 through 9 and corrective actions should resolve the issues identified in the report. However, we do not believe management's comments provide a sufficient basis for not granting WebBATS access to WebBATS coordinators.

Regarding recommendation 2, we agree that the Postal Service must protect sensitive data. However, we do not consider our recommendation as contradictory to this position or current practices. We found that headquarters has provided some coordinators with very limited access to WebBATS. Specifically, they were given WebBATS access, including the sensitive information, for up to 10 ZIP Codes at any one time. They were granted this access to help the coordinators perform their duties.

Further, we found it is possible to provide access to WebBATS data without compromising customer information or requiring significant financial expense. Based on our observations and interviews with Delivery & Retail Systems' Engineering personnel, we determined there were very few reports in WebBATS that contained sensitive data. Further, we were advised by Postal Service IT personnel that it would not be difficult for them to develop a way to provide employees with 'read-only' access to WebBATS while restricting access to sensitive data. Although we did not perform a cost analysis, we believe that management could perform an analysis and weigh any costs against the increases in the efficiency and effectiveness of the WebBATS coordinators' duties and overall program improvements.

In addition, we believe the overwhelming responses from surveys received from WebBATS coordinators does not support management's position that WebBATS coordinators did not need access to WebBATS because of the availability of NetMeeting. As noted in our report, 82 percent of the WebBATS Coordinators stated that NetMeeting is not an adequate alternative to having access to WebBATS. In addition, 90 percent of the coordinators stated they need access to WebBATS to perform their job efficiently and effectively. Management indicated they did not dispute our survey results but said our report did not provide adequate evidence to support our position that granting access to WebBATS is warranted over the current use of NetMeeting.

We believe the explanations cited in the report provide sufficient evidence that access to WebBATS is needed. For example, we stated the coordinators informed us that having to rely on NetMeeting to work with the units prevents them from being proactive. They indicated they could not pull any reports or research any issues without having a unit employee walk them through the various screens and reports in WebBATS. Further, because the unit employees have other assigned duties, it is often difficult coordinating a time acceptable for both parties to get together to use NetMeeting. The coordinators explained that even after they arrange a mutually agreed upon time with the unit, it often takes them longer to assist them with their issues. This is because they often have to wait while unit employees are pulled away to perform other duties, such

as waiting on customers. Usually this results in having to re-schedule the NetMeeting session. Additionally, most of the WebBATS coordinators do not perform this role exclusively. They have other job functions that serve as their primary focus. Therefore, it is important for them to make the best use of their time. If a coordinator had access to WebBATS, they could work on issues for the unit when they have the time and relay the responses at their convenience.

Further, the WebBATS coordinators also stated that having WebBATS access would enable them to perform more frequent monitoring of the unit's caller and reserve service issues. Additionally, access would provide them with the necessary hands-on experience and working knowledge of the system that many are lacking, which is needed to become proficient and effectively assist the units. See [Appendix C](#) for a sample of comments made by the coordinators outlining why it is so important to have access to WebBATS.

The last point management made was that WebBATS coordinators have multiple reports on the Postal Service's website to assist them in tracking site compliance. However, based on our review of the reports, along with discussions with headquarters personnel and WebBATS coordinators, the reports deal mostly with PO Boxes and not caller and reserve service. Consequently, they do not help correct the issues and concerns listed above.

The OIG considers recommendations 1 and 3 significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These 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. The OIG does not consider recommendation 2 significant and, therefore, will pursue the issue through the formal audit resolution process.

Appendix A: Additional Information

Background

Caller and reserve services are premium services provided for the convenience of customers. As of August 2012, the Postal Service collected \$86.4 million in revenue from 79,786 caller and 106,110 reserve service addresses issued to 55,957 customers. Caller service is available for a fee to any customer who:

- Requires more than free carrier or general delivery service.
- Needs to collect mail periodically during the day.
- Receives more mail than can be delivered to the largest installed PO Box at the Postal Service unit to which the caller's mail is addressed.

Caller service customers must pay a semiannual fee between \$440 and \$700²¹ for each caller service address. The fee may be paid for two 6-month periods at a time, up to 1 year in advance. Benefits of caller service include:

- Early morning mail pickup.
- Security for valuable correspondence.
- Separate business address so the customer can separate their business mail from their personal mail.
- Customer accessibility to retrieve mail throughout the day at convenient times.

A caller service customer can opt to receive mail addressed to many different caller service addresses in a single bulk delivery. If the Postal Service does not make separations for each of the addresses, only one caller service fee is charged.

Customers may reserve caller service addresses for future use, or for internal use, by paying an annual reserved caller service fee of \$42. Reserved service fees apply for each of the caller addresses to which mail is addressed, but separation of the mail is not made. Reserved service fees are not prorated and customers who continue to reserve caller service addresses for a new calendar year must make renewal payments before January 1 of the new calendar year. If a caller service customer reserves an address and begins to receive mail separated to that address, or otherwise notifies the Postal Service that he or she intends to begin receiving mail separated to that address, the customer must pay the appropriate semiannual fee for caller service.

²¹ Publication 431, *Post Office Box Service and Caller Service Fee Groups*, dated January 2012.

Caller service customers must use their caller service address (PO Box and assigned caller service number) immediately above the city, state, and ZIP Code. Otherwise, mail without a PO Box number is delivered to the street address if that address is on the mail. If there is no PO Box number and no street address on the mail, it might be treated as undeliverable. Mail with dual addresses, both a street address and PO Box number, is delivered to the address located on the line immediately above the city and state. If the street address and PO Box number are on the same address line, mail is delivered to the PO Box number. These restrictions also apply to return addresses on mail.

Objective, Scope, and Methodology

Our objective was to determine whether the Postal Service is managing caller and reserve service operations to collect all revenue due the Postal Service. To accomplish this objective, we performed the following activities:

- Conducted site visits at 11 judgmentally selected retail units to determine whether the units properly managed caller and reserve service operations.
- Reviewed caller and reserve service policies, procedures, and requirements.
- Interviewed Postal Services employees to gain an understanding of the caller and reserve service process.
- Assessed reports in place within WebBATS to ensure all applicable caller and reserve fees are collected. We evaluated field units' accessibility to the data and systems the units needed to perform their duties.
- Assessed the caller and reserve service training available to field employees.
- Examined 20 units using data from eUARS to determine whether the Postal Service is providing customers with free caller and reserve service.
- Evaluated FY 2011 caller and reserve service annual review instructions and examined 300 judgmentally selected FY 2012 caller and service reviews.²² We asked unit personnel to identify the number of firm holdout customers they serve and the number of callers in their unit using street addresses in place of their assigned PO Box number.
- Interviewed Postal Service officials to determine the feasibility of identifying uncollected caller and reserve revenue through automation.
- Using the data from our judgmentally selected sites, we performed two separate surveys of district WebBATS coordinators and two surveys of unit personnel

²² The OIG selected the top 400 ZIP Codes by issued callers using the *National WebBATS Monthly Summary Report* on the Postal Service's website. The report lists all active callers by ZIP Code. Then the OIG judgmentally examined 300 of the 400 reviews.

working in the area of caller and reserve service: one to managers and one to clerks. The OIG conducted the surveys to gain insight into employee's involvement and understanding of the caller and reserve service process. See [Appendix C](#) for additional information on these surveys.

We conducted this performance audit from September 2011 through January 2013 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 October 15, 2012, and included their comments where appropriate.

We assessed the reliability of caller and reserve operations data by confirming our analysis and results with Postal Service managers and other postal data sources. 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 related to the objective of this audit.

Appendix B: Monetary and Other Impacts

Table 1 - Monetary Impacts

Recommendation	Impact Category	Annual Amount	Total
3	Revenue Loss ²³	54,526	146,928
6	Revenue Loss	\$360,948	\$926,136
Total		\$415,474	\$1,073,064

Table 2 - Other Impacts

Recommendation	Impact Category	Annual Amount	Total
5	Revenue at Risk ²⁴	\$1,249,728	\$2,499,456
8	Revenue at Risk	2,506,602	2,923,914
Total		\$3,756,330	\$5,423,370

Unpaid Fees Identified From Annual Reviews

When determining the revenue loss associated with delinquent caller and reserve fees identified by the Postal Service during the FY 2012 caller and reserve annual reviews, we summed the products (239 unpaid caller fees) multiplied by an average annual unpaid caller fee of \$1,104²⁵ and 212 unpaid reserve fees multiplied by the annual fee of \$42, for a total annual revenue loss of \$272,760. We projected a recoverable revenue loss of \$545,520 over the next 2 years.

Additionally, we determined that 76 of the 239 unpaid caller fees should have been identified during the FY 2011 annual review²⁶ and 53 of these unpaid caller fees should also have been identified during the FY 2010 annual review. We multiplied these 129 unpaid caller fees from the prior 2 years by \$1,104 to calculate additional recoverable revenue loss of \$142,416. In total, we cited an annualized total of \$272,760

²³ Amount the Postal Service is (or was) entitled to receive but was underpaid or not realized because policies, procedures, agreements, requirements, or good business practices were lacking or not followed. May be recoverable or unrecoverable. May apply to historical events or a future period (in the sense perceived future losses may be prevented by the implementation of a recommendation).

²⁴ Revenue the Postal Service is at risk of losing (for example, when a mailer seeks alternative solutions for services currently provided by the Postal Service).

²⁵ We calculated the annual average caller service fee by taking the total number of active caller service customers for each fee group and multiplying it by the annualized fee for that group (fee group 1 – 5,581 x \$1,400 = \$7,813,400; fee group 2 – 8,034 x \$1,220 = \$9,801,480; fee group 3 – 19,077 x \$1,100 = \$20,984,700; fee group 4 – 29,444 x \$1,080 = \$31,799,520; fee group 5 – 15,689 x \$1,060 = \$16,630,340; fee group 6 – 6,721 x \$960 = \$6,452,160; and fee group 7 – 492 x \$880 = \$432,960). Then we added all the annualized to come up with overall total fees collected of \$93,914,560. Finally, we divided this sum by the total number of active caller service customers to come up with the average annual caller service fee (\$93,914,560 / 85,038 = \$1,104).

²⁶ We used the annual review completion deadline date of July 1, 2011, when determining whether unpaid caller fees should have been identified in previous caller and reserve service reviews.

in our report and claimed \$687,936 as total monetary impact, revenue loss, attributed to unpaid caller and reserve fees.

Employee Separating Mail

We calculated revenue loss of \$35,588 for additional caller services provided when the Postal Service made 36 additional separations for caller mail without collecting a fee. Specifically, we multiplied the 36 separations by the annual caller service fee of \$1,060.²⁷ Then we subtracted the \$1,060 caller and \$1,512 in reserve fees the customer already paid and determined an annual revenue loss of \$35,588. We projected the amount of recoverable revenue loss for 2 years forward to be \$71,176. We cited an annualized total of \$35,588 in our report and claimed \$71,176 as total monetary impact, revenue loss, attributed to making additional separations.

Unassigned or Inactive Caller and Reserve Service Addresses

To calculate the revenue loss associated with service provided for 257 unassigned or inactive caller and reserve service addresses, we multiplied eight unpaid caller fees by \$1,060²⁸ and 249 unpaid reserve fees by \$42, for a total annual revenue loss of \$18,938. We calculated a \$37,876 recoverable revenue loss for the past 2 years and \$37,876 recoverable revenue loss for the next 2 years for a total of \$75,752. We cited an annualized total of \$18,938 in our report and claimed \$75,752 as total monetary impact, revenue loss, attributed to unassigned or inactive caller and reserve service addresses.

Unpaid Fees Identified During Unit Reviews

To calculate the revenue loss associated with delinquent caller and reserve fees identified during unit reviews, we multiplied 76 unpaid caller fees by the average annual caller fee of \$1,104 and 102 unpaid reserve fees by the annual fee of \$42, for annual revenue loss of \$88,188. Then we projected a recoverable revenue loss of \$176,376 for the next 2 years. Additionally, we determined that 37 of the 76 unpaid caller fees should have been identified during the FY 2011 annual review,²⁹ and 19 of those should also have been identified during the FY 2010 annual review. We multiplied these 56 unpaid caller fees by \$1,104 to calculate a recoverable revenue loss of \$61,824 for the past 2 years. We cited an annualized total of \$88,188 in our report and claimed \$238,200 as total monetary impact, revenue loss, attributed to unpaid caller and reserve fees.

²⁷ The site visited is assigned to caller service fee group 5. The \$530 semiannual fee multiplied by 2 equals \$1,060.

²⁸ The site visited is assigned to caller service fee group 5. The \$530 semiannual fee multiplied by 2 equals \$1,060.

²⁹ We used the annual review completion deadline date of July 1, 2011, when determining whether unpaid caller fees should have been identified in previous caller and reserve service reviews.

See Table 3 for the specific details of monetary impacts identified in our report.

Table 3 – Details of Monetary Impacts

Recommendation	Impact	Annual Amount	Total
3	Employee Separating Mail	35,588	71,176
3	Unassigned or Inactive Caller and Reserve Service Addresses	18,938	75,752
6	Unpaid Fees Identified From Annual Reviews	\$272,760	\$687,936
6	Unpaid Fees Identified During Unit Reviews	88,188	238,200
Total		\$415,474	\$1,073,064

Updated Caller Service Policy

We used the average caller fee, based on FY 2011 data, to calculate other impacts related to district employees not properly completing the annual caller and reserve service reviews, caller service customers using street addresses, and firm holdout service provided to customers who do not meet standards.

- Inactive Caller Service Customers:* We analyzed 300 FY 2012 caller and reserve service reviews and identified 2,498 inactive callers and reserve service addresses. We determined where there was no evidence the unit conducted an investigation to identify unpaid fees or district WebBATS coordinators examined completed reviews and follow up on all discrepancies. We multiplied the 2,065 inactive caller service addresses by the average caller rate of \$1,104 and 433 inactive reserve service addresses by \$42 for a total of \$2,297,946 other impact, revenue at risk.
- Street Address:* During our analysis of FY 2012 caller and reserve service annual reviews, we noted 1,132 instances in which caller service customers used a street address on mail. We multiplied the 1,132 caller service addresses by the average caller rate of \$1,104 for a total of \$1,249,728 annual revenue at risk. We projected revenue at risk of \$2,499,456 over the next 2 years. We cited an annualized total of \$1,249,728 in our report and claimed \$2,499,456 as total other impact, revenue at risk, attributed to caller service customers using street addresses on mail.
- Firm Holdout Customers:* Retail units provided details about firm holdout customers for the FY 2012 annual caller and reserve service reviews. We determined that 189 firm holdout customers did not meet the requirements to receive the free service. We applied the average caller rate of \$1,104 to the 189 possible customers not meeting criteria and calculated \$208,656 annual revenue at risk. We calculated \$625,968 revenue at risk for 1 year prior and 2 years

forward. We cited an annualized total of \$208,656 in our report and claimed \$625,968 as total other impact, revenue at risk.

See Table 4 for the specific details of other impacts identified in our report.

Table 4 – Details of Other Impacts

Recommendation	Impact	Annual Amount	Total
8	Inactive Caller Service Customers	\$2,297,946	\$2,297,946
5	Street Address	1,249,728	2,499,456
8	Firm Holdout Customers	208,656	625,968
Total		\$3,756,330	\$5,423,370

Appendix C: Caller and Reserve Service Surveys

Survey Methodology

During the course of the audit, we conducted four individual online surveys to gather feedback from WebBATS coordinators, unit managers, and unit clerks associated with the caller and reserve service operations for 400 judgmentally selected ZIP Codes.³⁰

District Web Box Activity Tracking System Coordinator Surveys

We performed two separate surveys for the district WebBATS coordinators. The OIG conducted the surveys to gain insight into the coordinators involvement and understanding of the caller and reserve service process. Using the coordinator’s contact information posted on the WebBATS homepage, we issued the first survey by email on January 9, 2012, to the primary district WebBATS coordinators and their back-ups. We received responses from 86 of the 116 polled; however, some coordinators did not answer every question.

We conducted a follow-up survey by email on June 1, 2012, to collect additional support information from the primary district WebBATS coordinators and their back-ups. This time we received responses from 59 of the 116 polled. As in the first survey, some coordinators did not answer every question.

We asked various types of questions in our surveys, including open-ended questions, in order to elicit additional and more specific information from the participants. Here are some of the comments,³¹ relating to the issues discussed in the report, from the two surveys sent to the coordinators:

Subject	Comments
Criteria	There is not enough detailed information in the current policies and procedures guides to resolve particular issues. In addition, it is not always clear and can be confusing if you do not work with it regularly.
	Unit personnel really need to be trained on the differences between callers, reserves, and firm holdouts, because this is where most of the issues arise. Caller/Reserve should have its own field guide. A step-by-step instruction on all issues that might arise when the WebBATS user or manager confronts an issue.

³⁰ The OIG judgmentally selected the top 400 ZIP Codes, by issued callers, using the *National WebBATS Monthly Summary Report* on the Postal Service’s website. The report lists all active callers by ZIP Code.

³¹ We made grammatical changes to the comments. We also combined similar comments and summarized lengthy comments as necessary.

Subject	Comments
	I would benefit from some very basic information about WebBATS and Caller/Reserve tasks being easily accessible. An extensive list of hints, tips, and answers to common problems would be golden; I use Postal Service policies to help answer questions. But it seems like some of the information tells you how to perform a process but very seldom gives you information on how to correct a problem if something goes wrong.
	How to deal with unique ZIP Codes. This causes most of our issues; more details and instructions on whether an existing caller customer should be allowed to keep a street address for a unique ZIP Code, reserve separations under a caller number, firm holdouts caller, or be required to change and get a PO Box number.
	The POM is not consistent with the DMM, and I am told to use the POM as the reference. The DMM and POM are not very detailed. While the criterion can be found (online), if you do not type exactly what you are looking for, it is tedious and time consuming to find answers.
	All the caller and reserve service information is not in one place. At times, I have to refer to the online self-help, the DMM, POM, <i>Administrative Support Manual</i> , and the WebBATS website to find an answer. The resource data are spread out over too many databases, manuals, and individual instructions.
Training	I feel that there is not enough training for offices; therefore, errors are made and Postal Service revenue is lost; training is very vague.
	The training did not instruct me on how to correct issues. I need training so I can educate the 950+ offices in the district and then hold them accountable.
	Give district WebBATS coordinators access to a test site where we can learn WebBATS. Coordinators need to be able to walk the units through their problems and be able to learn WebBATS and work out questions on how the system should work.
	The training covers more on the concept of a caller and a reserve, their relationship with each other, benefits, and how to do the audit. The questions we get from unit personnel are more on the mechanics. How does the process work in

Subject	Comments
	WebBATS?
	The online training course does not prepare a WebBATS coordinator for the many site-specific questions heard daily.
Annual Reviews	Annual audit forms are confusing to field employees; we need instructions on how we should review the audits received from the field.
	The annual audit instructions are not very clear, and many questions from the field arise.
	In my district, we have more than 2,000 audits to review, both caller and PO Box audits. More than 80 percent of these audits have come in with errors. Offices have to be contacted to make corrections and the time required to do this is, in itself, a full-time job. However, I must fit it in with all of my other responsibilities.
	I have had to request at least 70 percent of audits to be done over. The offices are not complying and they are not being held accountable for not complying.
	eUARS is very confusing -- some data show and some do not. I'm not really sure how to follow up on questions in the annual reviews on how they are to be monitored or recorded. I need clarification on what the data in the Active and Non-Active columns in the eUARS reports represent.
	We do not have a staff or enough training to review reports or to perform what is expected of us.
	Monitoring the audits - there is not much time for anything else.
WebBATS Access	I cannot stress enough how much a WebBATS coordinator needs this access. When an office calls because it has an issue, you need access to be able to tell it what screens to go to and what to look for in the system. I waste so much time doing 'NetMeetings' with offices so I can see their screen and point them in the right direction. Most offices have their box clerks call. They do not know how to use NetMeeting. So it takes a lot of time to walk them through NetMeeting. The privacy issue regarding customer information does not make sense. If an Executive Administrative Schedule (EAS) employee cannot be trusted with data, how is it that Consumer Affairs clerks, who are not EAS employees, can have complete district access to the Change Of Address database? They need access to efficiently perform their duties as do we. All of the 'restricted information' is still available to us, but it takes longer to access, such as by NetMeeting. Many employees are not familiar with setting up

Subject	Comments
	the computer to share (their screen), which takes additional time (to resolve questions and problems).
	All WebBATS coordinators should be proficient in navigating to WebBATS. This is very hard to do without access. If 'Read' access was permitted to all coordinators, the viewing would allow more frequent monitoring. If I cannot see exactly what the problem is, it takes longer to help units solve the problem.
	The one thing that makes my job the hardest is not having access to the WebBATS databases for the ZIP Codes I oversee. When an office has a problem, I cannot just look at the data. I have to hold a NetMeeting, taking valuable time from unit personnel and myself. If I had access, I could be proactive on reviewing the WebBATS News page to see what actions are not being addressed.
	Often, when a person new to WebBATS is reaching out for help, he or she does not provide me with the data I need to give him or her an accurate answer. So I spend a lot of time investigating. If I had all of the information up front, I could have saved time. In addition, if I was able to go into WebBATS for offices, I could more easily monitor late payments, due date exceptions, and locks needing changed.
	I get email and voice messages from offices with WebBATS issues. Having access allows me to find the answers for them without calling and waiting on them to help customers, get their mail sorted, or get their deposit and truck ready. I can just get the answer and send it to them and move on to my next task, so I think it saves me time.

Unit Surveys

Using the 400 ZIP Codes judgmentally selected in our audit, we emailed two surveys to unit personnel working in the area of caller and reserve service: one to managers and one to clerks. The OIG conducted the surveys to gain insight into unit employees' involvement and understanding of the caller and reserve service process. We received feedback from 142 unit managers and 127 unit clerks; however, not everyone answered each question. We asked various types of questions in our survey, including open-ended questions to elicit additional and more specific information. Here are some comments,³² relating to the issues discussed in the report that we considered from the units.

³² We made grammatical changes to the comments. We also combined similar comments and summarized lengthy comments as necessary.

Issue	Comment
Criteria	Information should be easier to find in a shorter period.
	I would like to know the details concerning caller service explaining what customers can and cannot do. For example, can they just use their street address to get the mail or do they need to use the PO Box number that we provided. I have never seen any detailed written information, specifically about caller service or reserve service.
	A specific definition of reserve service was impossible to locate. I was unable to determine whether a customer was allowed to receive mail under a reserve service number. I spoke with supervisors and the district WebBATS coordinator before finally deciding that reserve means the customer is reserving the number for future use only.
	It would be helpful to update the WebBATS Manual.
Training	They assume that you know all the acronyms and terminology related to this subject. They need to start giving training as if you are new at it and not make it so confusing and hard to follow. A lot can be said about hard copy training; that way you always have a reference.
	What is reserve service and who qualifies? Does a caller service customer have a PO Box in the wall assigned, as well?
	The training was vague. Training was brief and not 'by the book.'
	I would like more training on the caller and reserve procedures.
Annual Reviews	The procedure of filling out the audit forms was not clear to me. Access to eUARS was not available. I did not understand the eUARS report or the significance of it.
	I would like the audit to be more detailed, so that it is more understandable as to what is expected. Some of the questions and expectations are not detailed enough.
General Obstacles	Maintenance of WebBATS records and all associated duties are not a priority in my office.
	I would like to see the work I do given a higher priority, so that during the busier times of the year, I do not get so far behind.

Appendix D: Management's Comments

KELLY M. SIGMON
 VICE PRESIDENT, CHANNEL ACCESS



December 12, 2012

Judith Leonhardt
 Director, Audit Operations
 Office of Inspector General
 1735 North Lynn Street
 Arlington, VA 22209-2020

SUBJECT: Draft Audit Report – Caller and Reserve Service Operations (DP-AR-13-DRAFT)

This letter is in response to Draft Audit Report – Caller and Reserve Service Operations (DP-AR-13-DRAFT) dated November 15, 2012.

The U.S. Postal Service has reviewed the report and provides the following responses. However, management does not agree with Recommendation #2. This report and management's response does not contain information that may be exempt from disclosure under the Freedom of Information Act.

Recommendation

We recommend the vice president, Engineering Systems:

1. Implement, if feasible, an automated process to identify all inactive or unassigned caller and reserve service addresses by linking mailing data systems to the Web Box Activity Tracking System.

Management Response:

Engineering Systems continues to evaluate the recommendation. A response will be sent to the OIG by January 4, 2013.

Recommendation

We recommend the vice president, Engineering Systems and vice president, Channel Access:

2. Provide area and district Web Box Activity Tracking System (WebBATS) coordinators with access to WebBATS so they can effectively and efficiently provide support to the field. In addition, provide appropriate headquarters personnel nationwide access so they can effectively and efficiently support the WebBats coordinators.

475 L'ENFANT PLAZA SW
 WASHINGTON DC 20260
 202-268-2252
 FAX: 202-268-6269
 WWW.USPS.COM

Management Response:

Management disagrees with this recommendation for the following reasons:

- WebBATS contains sensitive personally identifiable information that is protected by the Privacy Act. Under the Privacy Act, access to Privacy Act covered records must only be granted to those employees with a need for the record in the performance of their duties. Allowing HQ personnel or area and district coordinators access to individual customer records to assist with system support is not an allowable disclosure under the Privacy Act.
- Modifying the WebBATS application to allow access to limited data would require a significant financial expense.
- Coordinators have tools they can use if they need to assist a site with any issues. By using NetMeeting or Remote Assistance (ACE3) they can connect to the callers PC and see what the issue is and help resolve it. Although Management does not dispute the survey results, there is not adequate information about why NetMeeting is unsatisfactory to determine that providing access is the solution in lieu of resolving a NetMeeting issue.
- Multiple reports are generated and made available to the coordinators that assist them in tracking site compliance. This allows them to call or visit the sites that are having problems with WebBATS. Reports are available at http://blue.usps.gov/customerservicesoperationsandretail/poboxes/poboxesandwebbats/caller_and_reserve_services.shtml

Recommendation

We recommend the acting vice president, Delivery and Post Office Operations, in coordination with the vice president, Channel Access:

3. Update caller and reserve service policies and procedures so they are consistent, clear, accurate, and easily located and accessible in one place.

Management Response:

Delivery and Post Office Operations will collaborate with Channel Access to ensure compliance with this recommendation (i.e. guidelines contained within the OIG report).

Target Implementation Date: July 1, 2013

Responsible Official: Delivery & Post Office Operations

Recommendation

We recommend the acting vice president, Delivery and Post Office Operations and vice president, Channel Access:

4. Update the annual caller and reserve service review instructions to include identifying caller service customers using street address and firm holdout customers that do not meet mail volume requirements.

Management Response:

Delivery and Post Office Operations will collaborate with Channel Access to ensure compliance with this recommendation (i.e. guidelines contained within the OIG report).

Target Implementation Date: July 1, 2013

Responsible Official: Delivery & Post Office Operations

Recommendation

We recommend the vice president, Channel Access, in coordination with the acting vice president, Delivery and Post Office Operations:

- 5. Develop and provide adequate training to unit employees, managers, and Web Box Activity Tracking System coordinators assigned to caller and reserve service.

Management Response:

The following two training modes are available to the field. The courses will be reviewed and updated in FY13.

- CDs of the WebBATS eLearning courses available at the MDC:
 - 10018190S - Using POS & WebBATS to Manage Caller & Reserve Boxes
 - 10018191S - Performing PO Box, Caller, and Reserve Annual Audits (for managers and supervisors)

- WebBATS eLearning courses are also available in the Learning Management System (LMS):
 - 10018190 - Using POS & WebBATS to Manage Caller & Reserve Boxes
 - 10018191 - Performing PO Box, Caller, and Reserve Annual Audits (for managers and supervisors)

Target Implementation Date: July 1, 2013

Responsible Official: Channel Access

Recommendation

We recommend the vice president, Controller, in coordination with the acting vice president, Delivery and Post Office Operations:

- 6. Follow up with the areas to ensure the districts and field units collect delinquent fees identified during the annual reviews and our audit.

Management Response:

Delivery and Post Office Operations will collaborate with Finance to ensure compliance with this recommendation (i.e. guidelines contained within the OIG report).

Target Implementation Date: March 31, 2013

Responsible Official: Delivery & Post Office Operations

Recommendation

We recommend the vice president, Finance and Planning, in coordination with the acting vice president, Delivery and Post Office Operations:

- 7. Establish a process to track and evaluate the effectiveness of the annual audits.

Management Response:

Delivery and Post Office Operations will collaborate with Finance to ensure compliance with this recommendation (i.e. guidelines contained within the OIG report).

Target Implementation Date: July 1, 2013

Responsible Official: Delivery & Post Office Operations

Recommendation

We recommend the acting vice president, Delivery and Post Office Operations, in coordination with the vice president, Controller:

8. Require the areas to ensure districts and field units review caller service and firm holdout accounts to determine if they were established according to policy, and applicable revenue is collected.

Management Response:

Delivery and Post Office Operations will collaborate with Finance to ensure compliance with this recommendation (i.e. guidelines contained within the OIG report).

Target Implementation Date: March 31, 2013

Responsible Official: Delivery & Post Office Operations

Recommendation

We recommend the acting vice president, Delivery and Post Office Operations, in coordination with the vice president, Controller:

9. Update the annual caller and reserve service review instructions to include identifying caller service customers using street address and firm holdout customers that do not meet mail volume requirements.

Management Response:

Delivery and Post Office Operations will collaborate with Finance to ensure compliance with this recommendation (i.e. guidelines contained within the OIG report).

Target Implementation Date: July 1, 2013

Responsible Official: Delivery & Post Office Operations


Kelly M. Sigmom

- 5 -

Cc: Nagisa Manabe, Chief Marketing and Sales Officer and Executive Vice President
Megan Brennan, Chief Operating Officer and Executive Vice President
Ellis Burgoyne, Chief Information Officer and Executive Vice President
Joseph Corbett, Chief Financial Officer and Executive Vice President
Michael Amato, Vice President, Engineering Systems
Timothy O'Reilly, Vice President, Controller
Greg Graves, A/Vice President, Delivery and Post Operations