



# Internal Controls Over Walk-In Revenue Refunds - Kissimmee, FL, Main Office

February 12, 2018





February 12, 2018  
**Internal Controls Over Walk-in Revenue  
Refunds – Kissimmee, FL, Main Office**  
Report Number FCS-FM-18-007

**BACKGROUND:**

The objective of this audit is to determine whether internal controls for issuing refunds for walk-in revenue were in place and effective at the Kissimmee, FL, Main Office.

The U.S. Postal Service Office of Inspector General (OIG) Field Financial Risk Model identified the Kissimmee Main Office, for quarters (Q) 3 and 4 fiscal year 2017, made over 50 percent of all walk-in revenue refunds within the Suncoast District. Additionally, the Kissimmee Main Office refunded about 38 to 56 percent of the total walk-in revenue during Q's 3 and 4. The audit team reviewed 50 refund transactions, totaling \$255,211 or 99.4 percent of the total refund amount identified, between April 1 and September 30, 2017.

**WHAT THE OIG FOUND:**

Internal controls for walk-in revenue refunds were not in place and functioning at the Kissimmee, FL, Main Office. Unit personnel:

- Did not always properly support or complete refund claims. Specifically,
  - Thirty-one refunds totaling \$244,114 did not have supporting documentation at the unit. Refunds were to one vendor, requested by a district Business Service Network Representative to be processed by the Kissimmee Main Office. No supporting documentation was forwarded from the district to the post office due to file size.
- Twelve refund forms, reviewed, were missing key information, such as a witness signature and account numbers due to unit personnel forgetting to complete the form.
- Did not record an additional 12 refunds to correct account numbers. While the unit recorded the account numbers correctly on the refund forms, the unit improperly recorded all 12 refunds into the incorrect account numbers in the system. This was due to the unit personnel's confusion as to which refund to select in the system.
- Did not destroy unused customer printed postage meter stamps submitted as evidence for 10 of 11 refunds, valued at \$7,014. Unit personnel were unaware of Postal Service policy to destroy unused postage meter stamps.
- Split four refund transactions valued over \$1,000 each to circumvent the \$1,000 no-fee money order limit. Unit personnel processed these refunds instantly using no-fee money orders instead of sending them to accounting services for processing. These transactions totaled \$6,182

and occurred due to the sales and service associate's misunderstanding of policy and misunderstanding the amount of stamps the customer wanted to purchase.

When internal controls are not in place and functioning, the Postal Service has an increased risk of issuing invalid refunds, using inaccurate and unreliable refund data to monitor the unit, and undetected theft or loss. In addition, when the stop-the-clock scans are not occurring, it creates unnecessary expenses for researching the validity of the refunds as well as revenue lost, even though the mail could have been delivered timely.

As a result of our audit, the unit supervisor reviewed the refund form training guide with unit personnel and reiterated the requirements for completing and reviewing the refund forms, selecting the proper account numbers, and properly processing refunds using no-fee money orders. Because management took corrective actions for those three issues, we are not making a recommendation for those issues at this time.

In addition, we plan to refer the refunds that did not have supporting documentation and that were supported by unused customer printed postage meter stamps to the OIG's Office of Investigation for further review for potential investigation.

***WHAT THE OIG RECOMMENDED:***

We recommended district management:

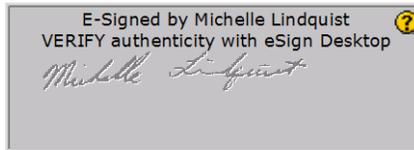
1. Obtain and review documentation that supports the refund amounts prior to processing the refund.
2. Reiterate to all unit personnel the requirements for processing refunds supported by customer printed postage meter stamp.
3. Destroy the \$7,014 postage meter stamps used to support 10 refunds identified in the report.

*[Link to review the entire report](#)*



February 12, 2018

**MEMORANDUM FOR:** ERIC CHAVEZ  
MANAGER, SUNCOAST DISTRICT



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

**SUBJECT:** Audit Report – Internal Controls Over Walk-in Revenue Refunds – Kissimmee, FL, Main Office (Report Number FCS-FM-18-007)

This report presents the results of our audit of the Internal Controls Over Walk-in Revenue Refunds – Kissimmee, FL, Main Office (Project Number 18BFM004FCS000).

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

Attachment

cc: Corporate Audit and Response Management

## TABLE OF CONTENTS

Introduction .....	1
Background.....	2
Finding #1: Documentation .....	2
Support Documentation .....	2
Recommendation #1: .....	5
Refund Form Completion.....	5
Finding #2: Recording Refunds .....	6
Finding #3: Postage Meter Stamps.....	8
Recommendation #2: .....	8
Recommendation #3:.....	8
Finding #4: No-Fee Money Order Limits .....	9
Management’s Comments .....	9
Evaluation of Management’s Comments.....	10
Appendix A: Management’s Comments .....	11

## Introduction

This report presents the results of our audit of the Internal Controls Over Walk-in Revenue Refunds (refunds) – Kissimmee, FL, Main Office (Project Number 18BFM004FCS000). The Kissimmee Main Office is in the Suncoast District of the Southern Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

To determine whether internal controls over refunds were in place and effective, we interviewed the postmaster and sales and service associates (SSA), and conducted walkthroughs of the refund processes. We also analyzed refund data identified between April 1 and September 30, 2017, and examined the unit's and district's supporting documentation for 50 refund transactions recorded to account identifier code (AIC) 535, Refund of Fees for Retail Services, and AIC 553, Refund Stamps and Fees.<sup>1</sup> In addition, 31 of 50 refund transactions contained a list of certified mailings that required a refund for services not rendered. We judgmentally selected 60 mailings from the 31 refunds to validate the refunds were appropriate. To validate, we traced from the supporting documentation obtained from the district Business Service Network (BSN) representative to the Product Tracking and Reporting (PTR)<sup>2</sup> system to verify whether the required stop-the-clock scan<sup>3</sup> occurred.

We relied on computer-generated data from the Enterprise Data Warehouse (EDW).<sup>4</sup> We did not test the validity of controls over these systems; however, we assessed the accuracy of the data by reviewing internal controls, tracing selected information to supporting source records and interviewing knowledgeable Postal Service personnel. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from November 2017 through February 2018, in accordance with generally accepted government auditing standards. 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 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 December 7, 2017, and included their comments where appropriate.

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<sup>1</sup> The AIC consists of three digits. It is used to classify financial transactions to the proper general ledger account.

<sup>2</sup> The PTR system is the database that stores tracking scan data for all barcoded packages and extra services products. The scan events take place from acceptance to delivery. The tracking information comes from business mailer's files, handheld scanners, retail equipment, mail processing equipment, and several other Postal systems.

<sup>3</sup> The recorded date and time when a mailpiece is delivered and Postal Service completes its commitment as it applies to service performance, which is generally measured as the time between the acceptance scan and the first stop-the-clock scan event on a mailpiece.

<sup>4</sup> A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes from the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

## Background

The Kissimmee Main Office processes refunds for a vendor at the request of the district BSN. The vendor offers a service to its customers of creating certified envelopes and mailing services. The vendor sends thousands of mailings monthly and, in cases where the mailings are not scanned at delivery, they are entitled to a refund for services relating to certified mail and signature service.<sup>5</sup>

The vendor requests the weekly refund by sending a list of certified mailings for a refund of services not rendered to the district BSN representative. The BSN representative creates a spreadsheet, which includes the documentation of the validation of the refund. The validation requires Postal Service personnel to track the customer's mail tracking barcode to the PTR system to determine if a stop-the-clock scan occurred.

In cases where the stop-the-clock scan did not occur, the BSN representative submits Postal Service (PS) Form 3533, *Application for Refund of Fees, Products and Withdrawal of Customer Accounts* to the postmaster, requesting refunds to be issued on behalf of the vendor for the weekly refund. The postmaster completes the refund form and processes it through the accounting service center.<sup>6</sup>

## Finding #1: Documentation

Unit personnel did not always properly support or complete PS Form 3533.

## Support Documentation

Unit personnel did not obtain support documentation for 31 of 50 refunds totaling \$244,114 (see [Table 1](#)) requested by the district BSN representative. Refunds<sup>7</sup> were for weekly refunds relating to certified mail and signature confirmation services to one vendor<sup>8</sup> that provides certified mail envelopes and mailing services to the public. The district BSN representative requested the Kissimmee Main Office process the refund but did not provide support due to the file size.

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<sup>5</sup> Handbook F-101, *Field Accounting Procedures*, June 2016, Appendix E – Refunds Quick Reference.

<sup>6</sup> An accounting and disbursing facility that provides accounting support for postal activities.

<sup>7</sup> Each refund contains a list of certified mailings that require a refund for services not rendered.

<sup>8</sup> Postal Service considers the vendor the customer, not the individuals who request the vendor's services.

**Table 1. Refunds Not Substantiated**

Number of Refunds	Date	Refund Amount
1	4/01/2017	\$ 6,025.70
2	4/01/2017	6,460.20
3	4/04/2017	7,506.45
4	4/26/2017	6,591.30
5	4/26/2017	10,142.90
6	4/27/2017	6,174.60
7	4/27/2017	3,611.70
8	5/02/2017	6,908.25
9	5/13/2017	8,351.55
10	5/13/2017	9,349.70
11	5/20/2017	11,609.90
12	5/31/2017	11,286.75
13	6/07/2017	9,640.95
14	6/07/2017	7,618.75
15	6/19/2017	10,812.40
16	6/21/2017	9,056.75
17	6/21/2017	7,749.90
18	7/19/2017	6,961.05
19	7/19/2017	4,768.80
20	7/19/2017	8,167.45
21	8/14/2017	8,787.35
22	8/14/2017	8,338.65
23	8/28/2017	7,802.40
24	8/28/2017	8,881.70
25	8/28/2017	2,518.15
26	8/30/2017	7,300.85
27	9/08/2017	9,365.65
28	9/25/2017	8,549.10
29	9/25/2017	8,604.45
30	9/25/2017	7,610.25
31	9/28/2017	7,560.55
	<b>Total</b>	<b>\$ 244,114.15</b>

Source: EDW, unit documentation, and U.S. Postal Service Office of Inspector General (OIG) analysis.

According to Postal Service policy,<sup>9</sup> the customer is entitled to a refund of service fees when a stop-the-clock scan does not occur. [Figure 1](#) provides examples of the scanning events<sup>10</sup> that occur in the mailing process.

<sup>9</sup> Handbook F-101, Appendix E – Refunds Quick Reference.

<sup>10</sup> Last scan event includes mail that was enroute, processed, and arrived at unit.

**Figure 1. Events in the Mailing Process**

Events									
Event	Event Code	Event Date	Event Time	Location	Input Method	Scanner ID	Carrier Route	Posting Date / Time (Central Time)	Other Information
DELIVERY STATUS NOT UPDATED	DX	04/26/2017	23:32	BROOKLYN, NY 11221	System Generated			04/26/2017 22:40:47	Request Delivery Record
OUT FOR DELIVERY	OF	04/26/2017	09:32	BROOKLYN, NY 11221	System Generated			04/26/2017 08:38:48	
SORTING/PROCESSING COMPLETE	PC	04/26/2017	09:22	BROOKLYN, NY 11221	System Generated			04/26/2017 08:38:38	
ARRIVAL AT UNIT	07	04/26/2017	07:02	BROOKLYN, NY 112129997	Scanned	IMD 030SHNB134 (non-wireless)	Scanned by route 1221C006	04/26/2017 07:56:01	<a href="#">PC / OF Reason Code</a>
DEPART USPS FACILITY	EF	04/26/2017	05:11	BROOKLYN, NY 11256	System Generated			04/26/2017 04:31:36	
ENROUTE/PROCESSED	10	04/25/2017	16:19	BROOKLYN, NY 11256	Scanned	DBCS-005-	Destined to route 11221250270	04/25/2017 15:21:36	
ENROUTE/PROCESSED	10	04/25/2017	10:56	BROOKLYN, NY 11256	Scanned	DIOSS-035-	Destined to route 11221250270	04/25/2017 09:58:40	
ENROUTE/PROCESSED	10	04/25/2017	00:31	ALBANY, NY 12288	Scanned	DIOSS-057-	Destined to route C005	04/24/2017 23:36:39	
ORIGIN ACCEPTANCE	OA	04/24/2017	23:16	CAIRO, NY 12413	System Generated			04/24/2017 23:37:39	
SHIPMENT ACCEPTANCE	TM	04/24/2017	12:39	CAIRO, NY 12413	System Generated			04/24/2017 12:00:34	
PRE-SHIPMENT INFO SENT TO USPS	MA	04/24/2017	09:32	CAIRO, NY 12413	Manifest Generated		Destined to route C005	04/24/2017 09:32:43	
SHIPPING LABEL CREATED	GX	04/24/2017	09:10	CAIRO, NY 12413	Shipping Partner Generated			04/24/2017 10:37:38	

Source: PTR system.

Using a judgmental sample of 60 mailings from the 31 refunds, we verified the refund requests did not have the required stop-the-clock scan. Therefore, the vendor was entitled to the refunds. We also noted that additional scans documenting the mail process flow for the 60 mailings did not always occur (see Table 2).

**Table 2. Last Tracking Event for Mail Not Delivered**

Last Scan Event	Number of Mailings
No Scanning Data Available	1
Enroute/Processed	36
Arrival at Unit	23
<b>Total</b>	<b>60</b>

Source: District documentation and OIG analysis.

Postal Service policy<sup>11</sup> states it is the responsibility of the postmaster or unit manager to review PS Form 3533 to ensure the refund is warranted and the form is properly

<sup>11</sup> Handbook F-101, Section 21-1.d.

completed. The postmaster stated that he was not aware of requirements to validate the refunds and relied on the BSN representative's review to determine if the refunds were warranted. In addition, the postmaster stated due to the file size, he was no longer receiving the spreadsheet as supporting documentation at the time of our audit.

When internal controls are not effective, the Postal Service has an increased risk of the unit issuing invalid refunds. We consider the 31 refunds valued at \$244,114 unsupported questioned costs<sup>12</sup> because the refunds were not reviewed prior to payment. In addition, when the stop-the-clock scans are not occurring, it creates unnecessary expenses for researching the validity of the refunds as well as revenue lost, even though the mail could have been delivered timely. As a result, we plan to refer the scanning issue for potential future audit work.

**Recommendation #1: We recommend the Manager, Suncoast District**, obtain and review documentation that supports the refund amounts prior to processing the Postal Service Form 3533, *Application for Refund of Fees, Products and Withdrawal of Customer Accounts*.

### Refund Form Completion

Unit personnel did not properly complete 12 of 50 PS Forms 3533 reviewed. The forms were missing key information, such as a witness signature and the AIC (see [Table 3](#)).

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<sup>12</sup> A weaker claim and a subset of questioned costs. Claimed because of failure to follow policy or required procedures, but does not necessarily connote any real damage to Postal Service.

**Table 3. PS Form 3533 Not Properly Completed**

Number of Refunds	Refund Date	Refund Amount	Refund Form Contained Witness Signature	AIC Completed
1	5/08/2017	\$43.00	N	N
2	5/08/2017	55.00	N	N
3	5/17/2017	955.00	N	Y
4	5/17/2017	913.20	N	Y
5	5/17/2017	58.70	Y	N
6	5/24/2017	990.30	N	Y
7	5/24/2017	957.80	N	Y
8	5/24/2017	2.67	N	N
9	8/04/2017	23.75	N	Y
10	8/04/2017	680.00	Y	N
11	8/04/2017	680.00	Y	N
12	8/23/2017	77.40	Y	N
<b>Total</b>		<b>\$ 5,436.82</b>	<b>8</b>	<b>7</b>

Source: EDW, unit documentation, and OIG analysis.

Postal Service policy<sup>13</sup> states that for all refund activities, the employee completes the request disbursement for section, which includes the AIC, and obtains a witness to the refund transaction when one is available. We observed that there were sufficient number employees at the unit to have a witness present. The employees stated they sometimes forget to complete the refund form. When the PS Form 3533 is not properly completed, there is an increased risk that the refunds made by the unit may not be valid.

As a result of our audit, on January 5, 2018, the unit supervisor reviewed the PS Form 3533 Job Aid<sup>14</sup> with unit personnel and reiterated the requirements for completing and reviewing the PS Form 3533. Because management took corrective actions, we are not making a recommendation at this time.

### **Finding #2: Recording Refunds**

Unit personnel did not record an additional 12 refunds to correct the AICs. While the unit personnel recorded the AIC correctly on the PS Form 3533, the unit improperly recorded all 12 refunds into the incorrect AIC (see [Table 4](#)) in the Retail Systems Software (RSS).<sup>15</sup>

<sup>13</sup> Handbook F-101, Sections 21-1.c and 21-1.d.

<sup>14</sup> A worksheet with a summary of the refund policy and the mandatory fields to complete on the PS form 3533.

<sup>15</sup> RSS is the primary hardware and software system used to conduct retail sales transactions in post offices.

**Table 4. Refunds Not Recorded to Correct AIC**

Number of Refunds	Refund Date	Refund Amount	AIC (Properly) Recorded on Refund Form	AIC (Incorrectly) Entered into RSS
1	4/27/2017	\$ 458.10	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
2	5/02/2017	354.15	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
3	5/02/2017	452.50	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
4	5/04/2017	2,937.58	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
5	5/06/2017	452.20	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
6	5/11/2017	442.89	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
7	5/11/2017	562.90	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
8	5/17/2017	955.00	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
9	5/17/2017	913.20	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
10	5/24/2017	990.30	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	Refund Stamps and Fees (AIC 553)
11	5/24/2017	957.80	Spoiled/Unused Printed Customer Meter Postage (AIC 526)	fund Stamps and Fees (AIC 553)
12	8/04/2017	23.75	Post Office Postage Meter/Postage Validation Imprinter Error (AIC 509)	Refund Stamps and Fees (AIC 553)
	<b>Total</b>	<b>\$ 9,500.37</b>		

Source: EDW, unit documentation, and OIG analysis.

Postal Service policy<sup>16</sup> states that the employee enters the amount of the refund into the appropriate refund AIC on the daily financial report. The unit employees stated there was confusion as to which refund to select in RSS. When the type of refund expense is not recorded properly, the Postal Service risks using inaccurate and unreliable refund data to monitor this unit's performance.

As a result of our audit, on January 5, 2018, the unit supervisor reviewed the PS Form 3533 Job Aid with unit personnel and reiterated the process for selecting the proper AIC when entering refunds into RSS. Because management took corrective actions, we are not making a recommendation at this time.

<sup>16</sup> Handbook F-101, Sections 21-1.1.d and 21-1.2.d.

### Finding #3: Postage Meter Stamps

Unit personnel did not destroy unused customer printed postage meter stamps submitted as evidence for 10 of 11 refunds valued at \$7,014 (see Table 5).

**Table 5. Meter Stamps Not Destroyed**

Refund Date	Total Value of Meter Stamps	Number of Meter Stamps
4/27/2017	\$ 508.10	7
4/27/2017	502.20	6
5/2/2017	393.50	3
5/2/2017	502.50	7
5/11/2017	492.10	5
5/11/2017	612.90	7
5/17/2017	1,005.50	32
5/17/2017	963.20	4
5/24/2017	993.80	12
5/24/2017	1,040.30	12
<b>Total</b>	<b>\$ 7,014.10</b>	<b>95</b>

Source: EDW, unit documentation, and OIG analysis.

Postal Service policy<sup>17</sup> requires an employee and a witness to destroy postage meter stamps when submitted as evidence for refunds. Unit personnel stated they were unaware of the policy to destroy the postage meter stamps.

Without destroying the postage meter stamps, there is a risk of undetected theft or loss, because the postage meter stamps can be used for other mailings. We consider the unused customer printed postage meters totaling \$7,014 assets at risk.<sup>18</sup>

**Recommendation #2: We recommend the Manager, Suncoast District, instruct the postmaster, Kissimmee Main Office, to reiterate to all unit personnel the requirements for processing refunds supported by customer printed postage meter stamp.**

**Recommendation #3: We recommend the Manager, Suncoast District, instruct the postmaster, Kissimmee Main Office, to destroy the \$7,014 postage meter stamps used to support the 10 refunds.**

<sup>17</sup> Handbook F-101, Section 21-2.2.c.

<sup>18</sup> Assets at risk of loss because of inadequate internal controls.

## Finding #4: No-Fee Money Order Limits

Unit personnel split four refund transactions valued over \$1,000 each to circumvent the \$1,000 limit. Unit personnel processed these refunds instantly using no-fee money orders (NFMO) instead of sending them to accounting services for processing. The unit personnel split the four refunds totaling \$6,182 into eight refund transactions.

Postal Service policy<sup>19</sup> states that field unit refunds are limited to a maximum of \$1,000 made locally by NFMO. Refunds over \$1,000 should be sent to accounting services for processing. For three of the refunds to one customer, the unit employees stated they considered them separate transactions because the customer provided separate refund forms that split them under the \$1,000 limit. In addition, the unit employee stated one refund was split due to a misunderstanding over the amount of stamps purchased.

When internal controls are not effective, the Postal Service has an increased risk of the unit making unauthorized payments. As a result of our audit, the unit supervisor reviewed PS Form 3533 Job Aid with unit personnel and reiterated the payment limits for processing refunds using NFMOs. This was completed by January 5, 2018. Because management took corrective actions, we are not making a recommendation at this time. However, we may follow up in the future as part of our ongoing financial control audits.

## Management's Comments

Management agreed with the findings and recommendations 2 and 3; however, management disagreed with recommendation 1 and the monetary impact.

Regarding recommendation 1, the district finance manager, as a delegate of the district manager, directed the postmaster to review and validate the refund entries prior to processing the refund. The postmaster agreed to validate refunds prior to the processing of any refunds and ensure the form is properly completed. The postmaster substantiated the refunds identified as part of our audit.

Regarding recommendation 2, the postmaster reviewed PS Form 3533 Job Aid with all retail personnel and reiterated the requirements for processing refunds supported by customer printed postage meter stamp.

Regarding recommendation 3, unit personnel destroyed the \$7,014 postage meter stamps used to support the 10 refunds.

The district manager disagreed with our claiming monetary impact since the refunds were reviewed and substantiated by the BSN representative and the postmaster.

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

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<sup>19</sup> Postal Bulletin 22407, January 22, 2015.

## Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report and corrective actions taken should address the issues in the report.

Regarding recommendation 1, we agree with management's alternative action to delegate the review of documentation to support refunds to the postmaster. Regarding the monetary impact, we acknowledge that the BSN representative is validating the refunds; however, Postal Service policy states it is the responsibility of the postmaster or unit manager to review PS Form 3533 to ensure the refund is warranted. We continue to believe there is an increased risk of the unit issuing invalid refunds if not reviewed by the postmaster prior to payment. The postmaster validated the refunds after the refunds were made and subsequent to our audit.

We consider all the recommendations closed with the issuance of this report.

## Appendix A: Management's Comments



02/07/2018

LORI LAU DILLARD  
DIRECTOR, AUDIT OPERATIONS  
OFFICE OF INSPECTOR GENERAL

**SUBJECT:** Internal Controls over Walk-In Revenue Refunds – Kissimmee, FL, Main Office

Report Number **FCS-FM-18-DRAFT**

Thank you for your time in reviewing the operations of our internal controls over walk-in revenue refunds at the Kissimmee, FL Main Office. We agree with your findings that there is opportunity to improve with the items noted in your report.

Suncoast District Manager disagrees with the monetary impact. The refunds were reviewed and substantiated by the Business Service Network. The Postmaster of Kissimmee has reviewed and validated the refunds not substantiated from the audit period of 4/1/17 thru 9/28/17. The validation occurred by the BSN representative uploading the spreadsheets via the USPS secure transfer. The Postmaster reviewed and substantiated the \$244,144.15 in refunds during that timeframe. This is noted in the attached email from the Postmaster.

The following steps have been taken to address the items discovered during the audit.

**Recommendation #1:** Suncoast District Manager should obtain and review documentation that supports the refund amounts prior to processing the Postal Service Form 3533, *Application for Refund of Fees, Products and Withdrawal of Customer Accounts*.

Management Response/Action Plan:

Suncoast District Manager disagrees. The Suncoast Finance District Manager, as a delegate of the Suncoast District Manager, verbally directed the Postmaster of Kissimmee on the OIG initial findings teleconference on December 7, 2017 to review and validate refund entries to the Unit 1412. The Postmaster agreed and validation

will take place prior to the processing of any refunds and the Postmaster will ensure the form is properly completed. With regards to the vendor that was reviewed, the Postmaster is verifying the refunds from software created to validate the refund amounts due, via USPS secure transfer prior to authorizing the refund.

Implementation Date: 12/15/2017

Responsible Official: Dean Moseley, Postmaster

**Recommendation #2:** Suncoast District Manager should instruct the Postmaster, Kissimmee to reiterate to all unit personnel the requirements for processing refunds supported by customer printed postage meter stamp.

Management Response/Action Plan:

Suncoast District Manager agrees. The Postmaster of Kissimmee has taken steps to correct this situation. The Postmaster of Kissimmee has reviewed the PS Form 3533 Job Aid (attached) with all retail personnel and has reiterated the requirements for processing refunds supported by customer printed postage meter stamp.

Implementation Date: 2/9/2018

Responsible Official: Dean Moseley, Postmaster, Kissimmee, FL

**Recommendation #3:** Suncoast District Manager should instruct the Postmaster, Kissimmee, FL to destroy the \$7,014 postage meter stamps used to support the 10 refunds.

Management Response/Action Plan:

Suncoast District Manager disagrees. The Suncoast Finance District Manager, as a delegate of the Suncoast District Manager, verbally directed the Postmaster of Kissimmee to destroy the \$7,014 postage meter stamps. The meter stamps were destroyed on 2/6/2018 with the LSSA George Landis and SCS Sarah Rivera as witnesses (documentation attached).

Implementation Date: 02/06/2018

Responsible Official: Dean Moseley, Postmaster, Kissimmee, FL

The Suncoast District Manager will continue to actively monitor retail operations to ensure SOX compliance is achieved.



*Eric D. Chavez*  
Eric D. Chavez  
District Manager  
Suncoast District

Cc: file