



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highway Contract Routes— Extra Trips— Greensboro District

Audit Report

Report Number
NO-AR-14-012

September 23, 2014





OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

We found the Greensboro District could have avoided 9.3 percent of its extra trips in FY 2013, Q4, which cost the district \$53,927. We also determined that, in some cases, employees did not follow proper procedures for documenting and authorizing extra trips. Consequently, the Greensboro District incurred \$536,643 in costs that were not properly supported or authorized.

Background

The U.S. Postal Service uses highway contract routes (HCR) to transport mail between its facilities. An extra trip is an infrequent trip made in addition those that are outlined in the contract. The Postal Service must complete a Postal Service Form 5397 to authorize an extra trip and a Postal Service Form 5429 to certify the trip was performed and payment is due to the supplier. If a payment is not made timely, the Postal Service is charged interest on the amount owed.

This is the first in a series of HCR extra trip reports. Our objective was to assess HCR extra trips in the Greensboro District. The Greensboro District was consistently ranked one of the 10 most at risk districts for extra trips in our Surface Transportation Risk Model. In fiscal year (FY) 2013, Quarter (Q) 4, the Greensboro District paid about \$1.1 million for 7,386 extra trips.

What The OIG Found

The Greensboro District could improve controls over the use and processing of extra trips. We found the Greensboro District could have avoided 689 of 7,386 (9.3 percent) extra trips used to transport mail due to unnecessary mail processing delays or missent mail. Mail processing delays were the result of non-adherence to dispatch leave times and missent mail was the result of operational errors. These events caused the district to spend an additional \$53,927 on extra trips in FY 2013, Q4.

We also determined procedures for authorizing and documenting extra trips were not always followed. Over 49 percent of PS Forms 5397 (or 3,163 of 6,342) were not completed properly. Local officials did not always review or authorize these forms and, in some cases, recorded incorrect miles for the trips. Consequently, the Greensboro District incurred \$536,643 in costs that were not properly supported or authorized.

We also found that the Postal Service made 34 interest payments because Postal Service Forms 5397 were not submitted on time. Finally, we identified 120 instances where trip dates on Postal Service Forms 5429 did not match those on Forms 5397 because employees were not adequately trained and monitored. As a result, HCR contractors were not paid interest on late payments.

What The OIG Recommended

We recommended management reduce extra trips by implementing controls and enforcing procedures to avoid processing delays and missent mail. We also recommended management provide training on, and monitor compliance with, proper completion of extra trip authorization forms, ensure HCR extra trip forms are submitted timely for payment, and calculate and pay contractors any interest due.

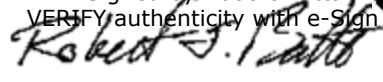
Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 23, 2014

MEMORANDUM FOR: KRISTIN SEAVER
VICE PRESIDENT, CAPITAL METRO AREA OPERATIONS

E-Signed by Robert Batta
VERIFY authenticity with e-Sign


FROM: Robert J. Batta
Deputy Assistant Inspector General for
Mission Operations

SUBJECT: Audit Report – Highway Contract Routes –
Extra Trips – Greensboro District
(Report Number NO-AR-14-012)

This report presents the results of our audit of Highway Contract Routes – Extra Trips – Greensboro District (Project Number 14XG008NO000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact James L. Ballard, director, Network Processing and Transportation, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Findings

The Greensboro District needs to improve controls over the use and processing of HCR extra trips. 9.3 percent of extra trips in FY 2013, Q4 were used to transport mail due to unnecessary mail processing delays or missent mail caused by the non-adherence to dispatch leave times and operational errors.

Introduction

This report presents the results of our self-initiated audit of Highway Contract Routes (HCR) – Extra Trips – Greensboro District (Project Number 14XG008NO000). This is the first in a series of reports on HCR extra trips. Our objective was to assess extra trips for HCRs in the Greensboro District. See [Appendix A](#) for additional information about this audit.

The U.S. Postal Service uses HCRs¹ to transport mail between post offices and other designated points where mail is received or dispatched, such as mailers' facilities. An extra trip is an infrequent trip made in addition to those outlined in the contract. HCR contractors receive extra pay for these trips. Management should schedule extra trips² only if necessary to prevent serious delay of preferential mail³ or if the trips are justified due to excessive mail volume.

The Postal Service uses Postal Service (PS) Form 5429, Certification of Exceptional Contract Service Performed, to certify that the HCR contractor performed the requested extra service and should receive additional payment. The Postal Service uses PS Form 5397, Contract Route Extra Trip Authorization,⁴ to support PS Form 5429 and validate that the trip occurred. The contracting officer appoints an administrative official (AO) to record contract performance on a day-to-day basis.⁵ Managers must also certify and sign PS Forms 5429 to ensure they are properly completed and submitted promptly for payment.

The U.S. Postal Service Office of Inspector General (OIG) has been monitoring extra trips as part of its quarterly Surface Transportation Risk Model⁶ for 4 years and has found an increase in extra trips. The Postal Service's regular HCR transportation expense increased a modest 1.9 percent over the last 9 quarters (from \$579.6 million in fiscal year (FY) 2012, Quarter (Q) 2 to \$590.5 million in FY 2014, Q2). Conversely, the Postal Service's extra trip expense increased 41.3 percent over the same period (from \$19.3 million to \$27.3 million). As a result, the Postal Service's extra trip expense as a percentage of HCR regular expense increased from a low of 2.2 percent in FY 2012, Q4 to a high of 4.6 percent in FY 2014, Q2. We selected the Greensboro District for this audit because it has been one of the 10 most at risk districts for 8 of the last 9 quarters and was the most at risk district in FY 2013, Q4.

Conclusion

The Greensboro District needs to improve controls over the use and processing of HCR extra trips. We found the Greensboro District could have avoided 689 of 7,386 extra trips (9.3 percent) in FY 2013, Q4, and used extra trips to transport mail due to unnecessary mail processing delays or missent mail. Mail processing delays were the result of non-adherence to dispatch leave times and missent mail was the result of operational errors. As a result, the Greensboro District spent an additional \$53,927 on extra trips.

¹ HCRs also include box delivery, collection service, and other mail services. We did not include these in our review.

² Postal Service Headquarters' goal is that extra trips will cost no more than an amount equal to 2 percent of regular HCR expenses. This amount applies to total trips for all districts. We used this 2 percent goal to identify which Greensboro District HCRs should be reviewed.

³ Preferential mail includes Express Mail, international airmail, First-Class Mail, Priority Mail, Periodicals, special delivery, and special handling.

⁴ According to the *Postal Operations Manual* (POM) Section 478.32A, Highway Contract Route Trips, "Each highway contract route extra trip must have a PS Form 5397, Contract Route Extra Trip Authorization, completed as certification for payment."

⁵ The AO summarizes PS Form 5397 information for PS Form 5429 at the end of each accounting period. The AO distributes copies of PS Form 5429, as required, including sending completed PS Forms 5429 to the Accounting Service Center (ASC) for payment to the HCR contractor.

⁶ This model was developed to help identify key indicators that could potentially forewarn postal officials of problems within a district's surface transportation operations.

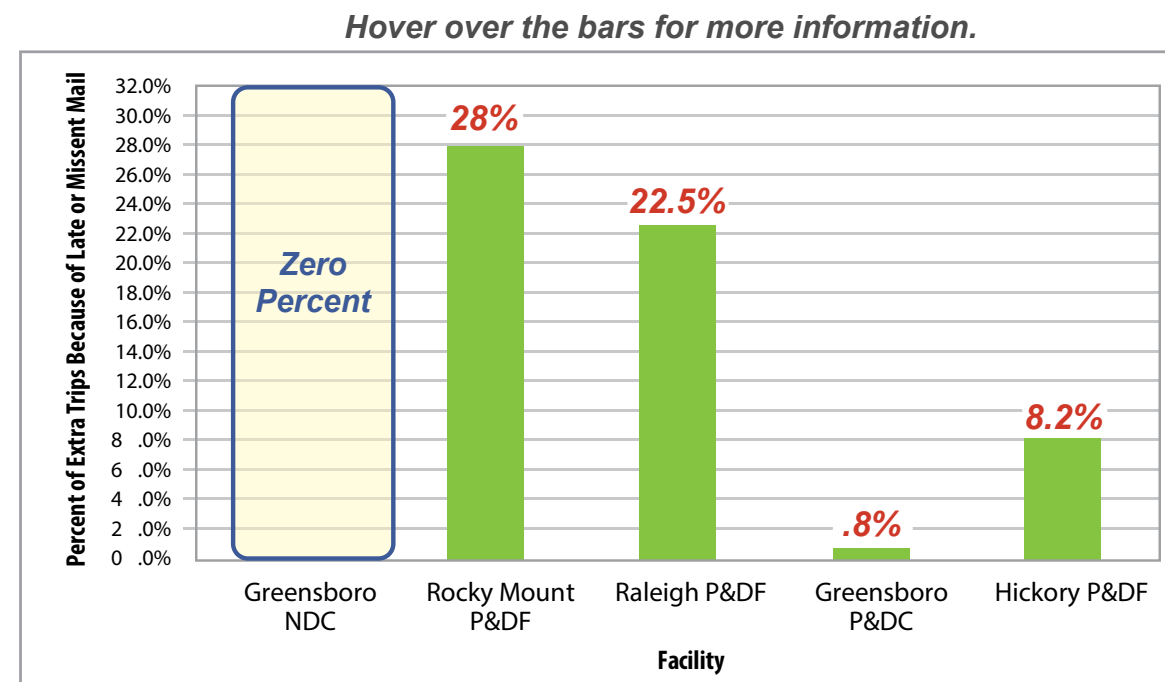
We also determined that, in some cases, employees did not follow proper procedures for documenting and authorizing extra trips. Specifically, local officials did not always review or authorize required Postal Service forms. In some cases, they recorded incorrect miles for the trips. We examined 6,342 PS Forms 5397 and found that 49.9 percent (or 3,163) of them had documentation issues or were not completed properly. Consequently, the Greensboro District incurred \$536,643 in costs that were not properly supported or authorized.

Finally, we found 34 interest payments the Postal Service made because extra trip documents were not submitted on time. Payments were late, on average, about 2 months and the Postal Service incurred about \$873 in interest payments because of the untimely submissions. We identified an additional 120 instances of mismatched trip dates on PS Forms 5429 and 5397. These inaccuracies occurred because local officials were not preparing PS Forms 5429 properly. As a result, the Postal Service was not paying HCR contractors interest due. This occurred because employees were not adequately trained and officials were not monitoring their activity.

Avoidable Extra Trips

We examined 6,342 PS Forms 5397 from the Greensboro District for FY 2013, Q4, which consisted of five processing facilities.⁷ Based on comments on the forms and interviews with management, we found the Postal Service used 689 of 7,386 extra trips (9.3 percent) as a result of mail processing-related delays or missent mail arriving at the wrong facility. See Figure 1 for the percentage of extra trips caused by late or missent mail for each facility in the Greensboro District.⁸

Figure 1. Percentage of Extra Trips Caused by Late or Missent Mail by Facility



Source: OIG analysis as of July 25, 2014.

- ⁷ The five facilities in the Greensboro District include the Greensboro Processing and Distribution Center (P&DC), the Greensboro Network Distribution Center, the Raleigh P&DC, and the Rocky Mount and Hickory processing and distribution facilities (P&DFs). In 2012, an Area Mail Processing consolidation resulted in the Hickory P&DF closing and moving all of its mail processing operations to the Greensboro P&DC.
- ⁸ The percentages are based on: 0 of 476 Greensboro NDC extra trips were caused by late or missent mail, 215 of 772 Rocky Mount P&DF extra trips were caused by late or missent mail, 344 of 1,527 Raleigh P&DC extra trips were caused by late or missent mail, 35 of 3,449 Greensboro P&DC extra trips were caused by late or missent mail, and 95 of 1,162 Hickory P&DC extra trips were caused by late or missent mail.

The Postal Service used these extra trips because officials did not adhere to dispatch discipline policies that ensure processed volumes are moved as planned to meet intended transportation.⁹ As a result, the Postal Service incurred additional, unnecessary costs totaling about \$53,927.¹⁰

Improperly Documented Extra Trips

Local officials did not always review or authorize the required PS forms for the extra trips. Specifically, we found:

- 21.9 percent of PS Forms 5397 were missing an authorizing supervisor signature or were signed by a non-supervisor. It is common practice for craft employees (such as expeditors, clerks, and mail handlers)¹¹ to sign PS Forms 5397 authorizing the extra trips;
- 21.7 percent of PS Forms 5397 we reviewed were missing the extra trip mileage, which the Postal Service uses to calculate payment to the HCR contractors; and
- Officials who were authorizing extra trips on PS Forms 5397 were also certifying PS Forms 5429, which are sent to the ASC for payment, bypassing the segregation of duties control.

In addition, some extra trip authorization forms were missing other information including:

- The date the trip occurred;
- The time the trip departed; and
- The departure mail volumes.

We examined a total of 6,342 PS Forms 5397, which are used to document extra trips, and found that 49.9 percent (or 3,163) contained errors. [Figure 2](#) shows the percentage of each type of PS Form 5397 discrepancy the OIG noted.¹²

These documentation issues occurred because Postal Service officials responsible for monitoring and authorizing the completion of these forms did not adequately train and oversee employees or reiterate the proper procedures for completing, approving, and submitting these forms.¹³ Consequently, the Greensboro District incurred \$536,643 in costs that were not properly supported, justified, or authorized.

⁹ According to Postal Service Handbook M-22, *Dispatch and Routing Policies*, “Dispatch discipline ensures that processed volumes are actually moved as planned to meet intended transportation that fits the transportation window and achieves the best possible service at the most cost-effective rate.”

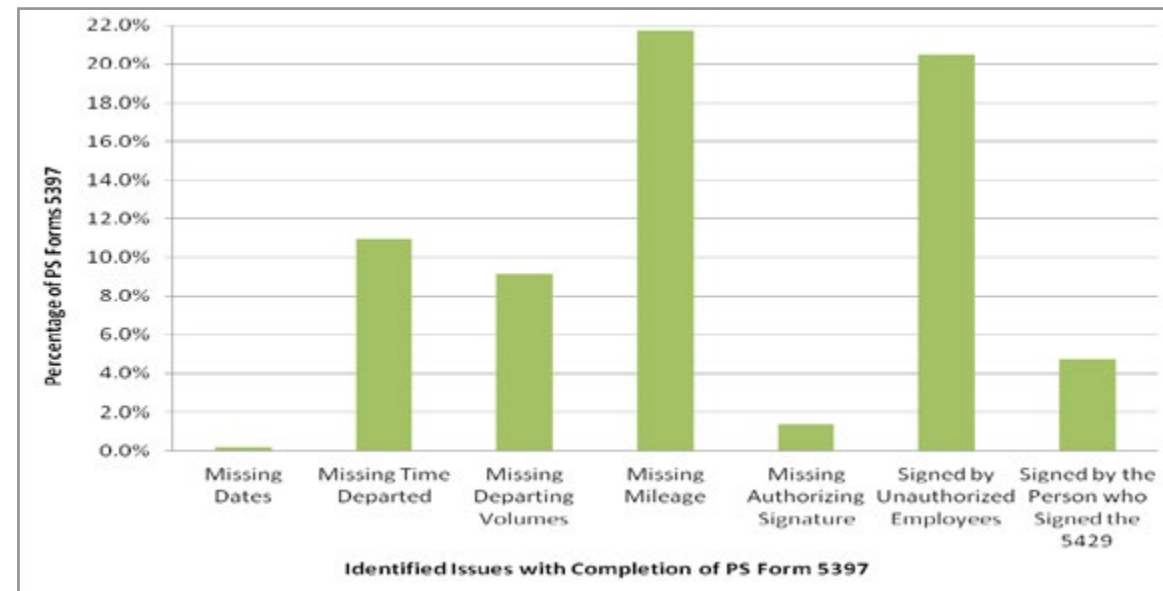
¹⁰ To calculate the monetary impact, we multiplied each facility’s extra trips cost by the percentage of trips caused by late and missent mail. We added the facility totals together to calculate the Greensboro District’s total. In addition, to avoid duplicate claims of money, a PS Form 5397 was not counted in more than one finding category.

¹¹ These are non-supervisory employees who record the arrival and departure of mail trucks.

¹² Based on a review of 6,342 PS Forms 5397, 11 were missing dates, 694 were missing time departed, 580 were missing departing volumes, 1,379 were missing mileage, 87 were missing an authorizing signature, 1,299 were signed by unauthorized employees, and 302 were signed by the same person who signed the PS Form 5429.

¹³ PS Form 5397 is used to authorize an extra trip for a contracted route. The office authorizing the extra trip must issue the form and complete the appropriate sections.

Figure 2. Issues With the Greensboro District's Completion of PS Forms 5397



Source: OIG analysis as of July 25, 2014

Late Payments and Interest Payments

We determined the Greensboro District did not timely process 34 PS Forms 5429 over a 3-month period from July through September 2013, resulting in \$873.32 in interest payments to HCR contractors. Payments were, on average, about 2 months late. We also identified an additional 120 instances of mismatched trip dates on PS Forms 5429 and 5397. This occurred because local officials were not preparing PS Forms 5429 properly.

The St. Louis ASC pays HCR contractors based on what is recorded on PS Form 5429 without reviewing any supporting documentation.¹⁴ As a result of these mismatched forms, HCR contractors were not paid interest due for late payments.¹⁵ Postal Service regulations state that proper payment documentation for extra trips must be submitted within the month after the service takes place.¹⁶ The Postal Service is obligated to make prompt payments to its contractors by virtue of 31 U.S.C. 3901,¹⁷ the Prompt Payment Act of 1974, as amended in 1988. According to Postal Service policy, “the Postal Service will pay interest on late payments and unearned prompt payment discounts in accordance with the Prompt Payment Act.” These late payments occurred because local Postal Service employees responsible for this function were not adequately trained and plant managers were not monitoring their activity.

¹⁴ PS Form 5429 summarizes the information on PS Form 5397, so when the dates do not match, the extra trip date on the PS Form 5397 becomes the date of the PS Form 5429 and the HCR contractor does not get paid the interest due.

¹⁵ We were not able to determine the amount of interest that may be owed because many of the PS Forms 5397 were missing the extra trip mileage that is used to calculate interest.

¹⁶ POM Issue 9, Section 478.32F, dated July 9, 2002, states “The AO summarizes PS Forms 5397 onto PS Form 5429 at the end of each accounting period.”

¹⁷ Postal Service, *Supply Management Supplying Principles and Practices*, dated August 2009.

Recommendations

We recommend management reduce extra trips by implementing controls and enforcing procedures to avoid processing delays and missent mail. We also recommend management provide training on, and monitor compliance with, proper completion of extra trip authorization forms, ensure HCR extra trip forms are submitted timely for payment, and calculate and pay contractors any interest due.

Recommendations

We recommend the vice president, Capital Metro Area Operations:

1. Implement controls and enforce procedures to avoid processing delays and missent mail in order to reduce highway contract route extra trips.
2. Train employees on the proper completion of extra trip authorization forms and monitor compliance.
3. Ensure employees submit extra trip authorization forms on time.
4. Determine which contractors have interest payments due because of untimely submission of documentation and pay them accordingly.

Management's Comments

Management agreed in part with the findings and stated that some of the processes need to be evaluated and Standard Operations Procedures need to be reinforced. Further, management agreed with all recommendations but did not agree with the monetary impacts presented in the report.

In response to recommendation 1, the Capital Metro Area stated they will work with local plant officials to monitor extra trips leaving as a result of delays in mail processing. Local officials will monitor daily mail condition reports and make operational changes as necessary to avoid extra trips. Management stated they implemented the recommendation on September 12, 2014.

In response to recommendation 2, management will provide training to all individuals for completing PS Forms 5397, ensuring that they are fully and correctly completed. Management will monitor compliance monthly. Target implementation date of the recommendation is September 30, 2014.

In response to recommendation 3, management will strengthen internal processes to ensure PS Forms 5397 are received and processed on time. Management stated that not all instances of late submissions of documentation is the fault of the Postal Service and some instance are a result of contractors not submitting their paperwork on time. Target implementation date of the recommendation is September 30, 2014.

In response to recommendation 4, management at the local level already initiated a process that will review trips identified in this report as having the potential of receiving interest due to late submission. If they are found to be entitled to interest payments, documentation will be submitted to pay the contractors for this service. Target implementation date of the recommendation is September 30, 2014.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the findings and recommendations and corrective actions should resolve the issues identified in the report. Regarding monetary impact, management did not provide justification or documentation for their disagreement. We still consider our calculations valid and will work with management in resolving any disagreement with the monetary impact in closing out the significant recommendations.

The OIG considers recommendations 1, 2, 3 and 4 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 recommendation(s) can be closed.

Appendices

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Appendix A: Additional Information

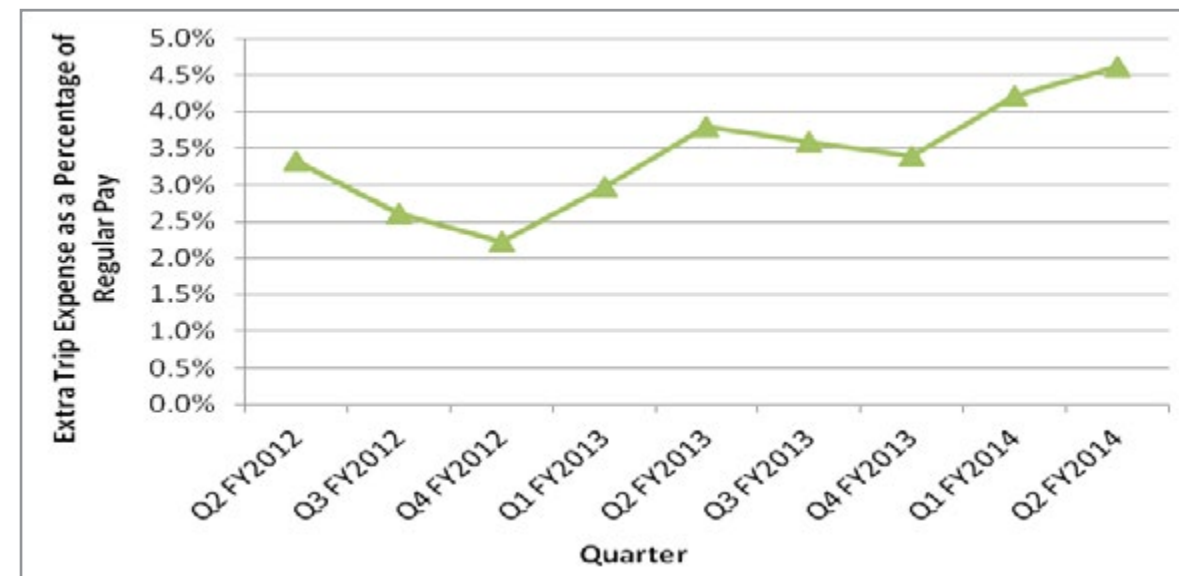
Background

The Postal Service uses HCRs to transport mail between post offices and other designated points where mail is received or dispatched, such as mailers' facilities. An extra trip is an infrequent trip made in addition to those normally provided under the terms of a contract. HCR contractors receive extra pay for these trips. Management should schedule extra trips only if necessary to prevent serious delays of preferential mail or if the trips are justified due to high mail volume. Officials must record extra trips dispatched or received in Surface Visibility or TIMES-Web. Each extra trip must have a PS Form 5397 completed as certification for payment and signed by a supervisor to prove the extra trip was authorized. In addition, offices are required to maintain PS Forms 5397 for 1 year.

PS Form 5429 is used to certify that the HCR contractor performed the requested extra trip and should receive additional payment. The Postal Service uses PS Forms 5397 to support PS Forms 5429 and validate that the trips occurred. The contracting officer appoints an AO to record contract performance on a day-to-day basis.¹⁸ The AO is generally the postmaster or manager of the HCR's originating facility. The AO must certify and sign the PS Form 5429 and submit it to the ASC for payment. Further, offices are required to maintain PS Forms 5429 for 7 years.

The OIG has been monitoring HCR extra trips as part of its quarterly Surface Transportation Risk Model. The Postal Service's regular HCR transportation expense increased a modest 1.9 percent over the last 9 quarters (from \$579.6 million in FY 2012, Q2 to \$590.5 million in FY 2014, Q2). Conversely, the Postal Service's extra trip expense increased 41.3 percent over the same period (from \$19.3 to \$27.3 million). As a result, the Postal Service's extra trip expense as a percentage of regular expenses increased from a low of 2.2 percent in FY 2012, Q4 to a high of 4.6 percent in FY 2014, Q2 (see Figure 3).

Figure 3. Surface Transportation Risk Model Results – Extra Trip Expense as a Percentage of Regular Pay FY 2012, Q2 – FY 2014, Q2

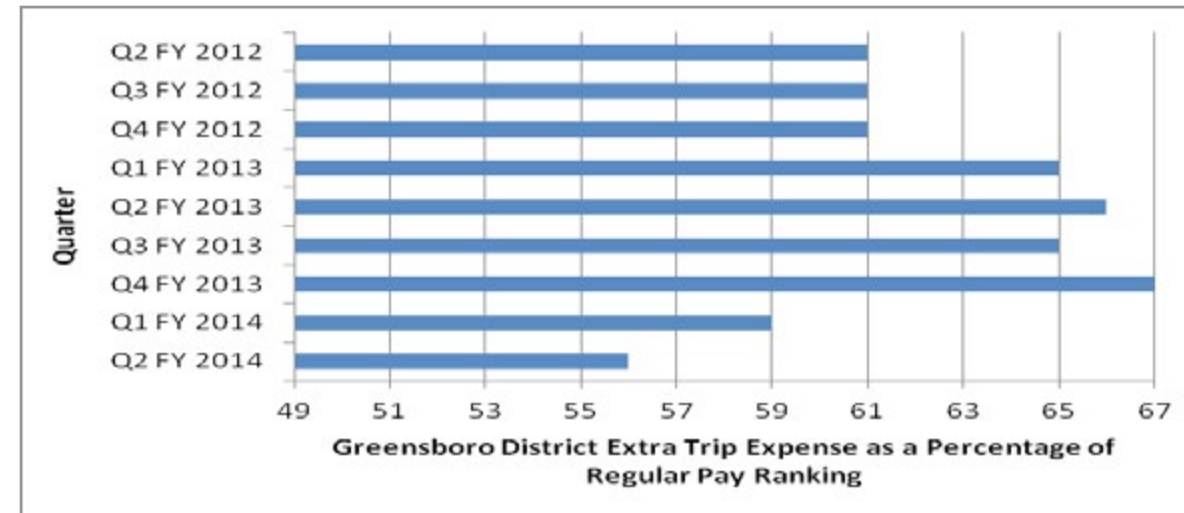


Source: OIG Surface Transportation Risk Model results as of May 15, 2014.

¹⁸ POM Issue 9, dated July 9, 2002, states that "the AO distributes copies of PS Form 5429 as required on the form, including sending completed PS Form 5429 to the ASC for payment to the HCR contractor."

According to our Surface Transportation Risk Model, since FY 2012, Q2, the Greensboro District has been one of the 10 districts most at risk for extra trips as a percentage of regular pay for 8 of the past 9 quarters. We selected the Greensboro District because of its performance in FY 2013, Q4, where it ranked as the most at risk district in the nation (see Figure 4).

Figure 4. Surface Transportation Risk Model Results—Greensboro District Ranking of Extra Trip Expense as a Percentage of Regular Pay



Source: OIG Surface Transportation Risk Model results as of May 15, 2014.

Objective, Scope, and Methodology

Our objective was to assess the Greensboro District's use of extra trips for HCRs. To accomplish our objective, we reviewed 6,342 PS Forms 5397 submitted for payment during FY 2013, Q4 for HCRs with an extra trip expense that was equal to more than 2 percent of regular pay.¹⁹ Postal Service Headquarters' goal is that extra trips will cost no more than an amount equal to 2 percent of regular HCR expenses. This amount applies to total trips for all districts. In addition, we interviewed Postal Service officials and employees in the Greensboro District and the ASC. We reviewed relevant policies and procedures. We reconciled PS Forms 5397 to the appropriate PS Forms 5429 and inspected PS Forms 5397 for proper completion and authorization.

We conducted this performance audit from January through September 2014, 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 September 3, 2014, and included their comments where appropriate.

We assessed the reliability of the extra service data used for this report and contained in our Surface Transportation Risk Model by interviewing Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

¹⁹ We limited our scope to exclude any HCRs with an administrative official in the Greensboro Customer Service District because documentation for these HCRs was decentralized.

Prior Audit Coverage

On July 21, 2014, the OIG issued management alert [NO-MA-14-003](#), *Late Payments for Highway Contract Routes – Indianapolis, IN, Processing and Distribution Center*. The alert determined that the Indianapolis, IN, P&DC did not promptly process about \$74,000 in exceptional service payments from June 2013 through January 2014. The OIG found that payments to HCR contractors were about 3.7 months late, on average. The OIG recommended the vice president, Great Lakes Area Operations, ensure management properly trains employees to prepare and promptly submit exceptional services documentation, develop a process to continually monitor locally generated exceptional services expenses, and ensure local compliance with exceptional services payment processes. Management agreed with the findings and recommendations.

Appendix B: Management's Comments

AREA VICE PRESIDENT
CAPITAL METRO AREA OPERATIONS



September 19, 2014

Lori Dilliard
Director Audit Operations
Office of Inspector General
United States Postal Service

SUBJECT: Response to OIG Audit Report Highway Contract Routes – Extra Trips –
Greensboro District Report Number NO-AR-14-DRAFT

Thank you for the opportunity to respond to the OIG Audit of Highway Contract Route Extra Trips in the Greensboro District. The Greensboro district agrees in part to the findings. We do agree that some of our processes need to be reevaluated and that SOPs need to be reviewed and reinforced. The Greensboro District does not agree with the monetary findings, but we do agree that in some rare instances interest should have been paid to the contractors for untimely payment of services provided. However, not all cases of late payments were the fault of the Postal Service.

Recommendation #1

We recommend the Vice President, Capital Metro Area Operations, implements controls and enforce procedures to avoid processing delays and missent mail in order to reduce highway contract route extra trips.

Management Response/ Action Plan

Capital Metro Area agrees with this recommendation. Managers on all tours in each plant will work closely together for a collaborative effort to reduce these occurrences. Plant Managers, MDOs, and In-plant Support managers will review the daily mail condition reports and make operational changes as necessary to ensure mail is processed timely and transportation delays are kept to a minimum. Transportation Managers are now reviewing all extra trips weekly to verify they are completed accurately and to document the reasons for the extra trips.

Target Implementation Date

September 12, 2014

Responsible Official

Greensboro P&DC
Raleigh P&DC

Jason DeChambeau, Senior Plant Manager
Barbara Joyner, Plant Manager

MAILING ADDRESS:
16501 SHADY GROVE ROAD
GAITHERSBURG MD 20898-9998
301-548-1410
FAX: 301-548-1434

Recommendation #2

We recommend the Vice President, Capital Metro Area Operations, trains employees on the proper completion of extra trip authorization forms and monitor compliance.

Management Response/ Action Plan

Capital Metro Area agrees with this recommendation. Training for the proper completion of the 5397 has been put in place to ensure that all 5397s are filled out properly to include a reason in the remarks section (block 29), as well as the reason for the extra service. All expeditors and supervisors responsible for dock operations will receive the training by the end of September 2014.

Target Implementation Date

September 30, 2014

Responsible Official

Greensboro P&DC
Raleigh P&DC

Millie Bragg, TANS Manager
Manu Sharma, TANS Manager

Recommendation #3

We recommend the Vice President, Capital Metro Area Operations, ensures employees submit extra trip authorization forms on time.

Management Response/ Action Plan

Capital Metro Area agrees with this recommendation with the understanding that the appropriate paperwork needs to be received timely in order to process the payment timely. The payments cannot be processed until the white copy (page 1 of the PS Form 5397), is received by the office of the Administration Official. There are instances where either the contractor or the destination site has the white copy and they fail to mail the PS Form 5397 in a timely manner. PS Form 5397 training has been set up for the plants and all AOs to ensure that the paperwork is properly filled out. Additionally, we will ensure that the contractors are made aware that they are not to keep the original white copy should it arrive at their office. All expeditors will be informed that it is their responsibility to provide the Transportation office the green copy which can be dated and reviewed daily to ensure the originals have been received.

Target Implementation Date

September 30, 2014

Responsible Official

Greensboro P&DC
Raleigh P&DC

Millie Bragg, TANS Manager
Manu Sharma, TANS Manager

Recommendation #4

We recommend the Vice President, Capital Metro Area Operations, determines which contractors have interest payments due because of untimely submission of documentation and pay them accordingly.

Management Response/ Action Plan

Capital Metro Area agrees with this recommendation. Transportation offices in the Greensboro District will review the documents that outline the trips and HCR contractors that did not get paid interest according to the OIG analysis. These records will be compared with the original PS Form 5397s and the dates the service was provided as well as the date the original PS Form 5397 was received. A spreadsheet will be created to document the PS Form 5397s reviewed and our findings. If it is deemed the contractor is due interest we will complete the PS Form 5429 along with a Word document identifying the reason(s) for the request for interest payment.

Target Implementation Date

September 30, 2014

Responsible Official

Greensboro P&DC

Millie Bragg, TANS Manager

Raleigh P&DC

Manu Sharma, TANS Manager

This report and management's response do not contain information that may be exempt from disclosure under the FOIA.


Kristin A. Seaver

cc: Salvatore Vacca, Area Manager, Operations Support
Russell Gardner, District Manager, Greensboro
Sally Haring, Manager, CARM



Contact us via our [Hotline](#) and [FOIA](#) forms, follow us on social networks, or call our Hotline at 1-888-877-7644 to report fraud, waste or abuse. Stay informed.

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