

INVESTIGATION



Was the audit within four (4) months of the previous audit?

Article 28, Section 1.E. Audit each employee's fixed credit no less frequently than once every four (4) months.

F-1 Handbook, Section 429.1: Examining bargaining unit stamp credits is covered by Article 28, Employer Claims, Section 1E of the Agreement between the Postal Service and the Employee organizations.

Stamp credits maintained by bargaining unit employees must be examined by supervisory personnel at least once every four months.

Comments: _____



Was a Form 3368, Stamp Credit Examination Record, (Exhibit 1), maintained for the employee? Does the employee's Form 3368 reflect a good or poor audit record?

F-1 Handbook, Sections 429.12 and 429.18:

429.12. Form 3368, *Stamp Credit Examination Record*, is designed to contain the history of stamp credit examinations for use in scheduling examinations; for reporting overages and shortages; and as a source of information when necessary for Form 571, *Discrepancy of \$100 or more in Financial Responsibility*. Form 3368 is to be kept for 3 years after the last entry.

429.18. After completing the examination of an employee's stamp credit, enter the results to form 3368. Enter the last date for completion of the next examination as required by the National Agreement to the appropriate column.

Comments: _____



Was the audit performed away from the window operation, preferably in a quiet area? If not, did the employee complain and/or request a different area?

F-1 Handbook, Section 429.13:

Selecting the Site

- >> For the count of an employee credit, select a site away from the window operation, preferably in a quiet area. There should be adequate space for both the supervisor and the employee to count.

Comments: _____



Was the stamp credit examination performed at the beginning of the employee's tour and/or before the clerk had made any transactions? If not, why not?

F-1 Handbook, Section 429.11:

429.11 Scheduling Examinations

- 1> Do not announce stamp credit examinations.
- 2> Stagger the dates for examinations so that a pattern will not be evident to the employees to be counted.
- 3> Count stamp credits, to the extent practicable, at the beginning of the clerk's tour of duty or at least before the clerk has made any transactions.
- 4> Limit examination of stamp credits generally to one per day per available supervisor.
- 5> If possible, conduct examinations on days when business is light and most of the workforce is present.

Note. For clerks with multiple credits, count all credits at the same time to the maximum extent possible.

Comments: _____



Was the independent count completed by a supervisor and/or postal inspector and the employee and/or designated witness?

Article 28, Section 1.C: Grant the opportunity to an employee to be present whenever that employee's fixed credit is being audited and if the employee is not available, to have a witness of the employee's choice present.

F-1 Handbook, Section 429.1, 429.12, & 426.2:

429.1 Examining a Stamp Credit

Examining Stamp accountabilities is an integral part of the overall internal control system over Postal Service assets...

Postmaster

- >> Ensure that examinations of bargaining unit employee stamp credits are conducted as described above. In offices that do not have supervisors, personally examine stamp credits.

Supervisory Personnel

- >> Conduct examinations of stamp credits at stations, branches, and main office window units.

Inspection Service

- >> Count stamp credits as part of audits and investigations conducted by the Inspection Service.

429.12 Forms to Be Used

Form 3294, *Cash and Stamp Credit Count Summary*, is a four-page form designed to contain a complete record of the examination of a stamp credit. One copy must be completed by the supervisor and one by the employee or the employee's representative. The postmaster must file the form centrally and keep it for 2 years.

426.2 Protecting Stamp Credits

- 3> Grant an employee the opportunity to be present whenever his or her financial accountability is to be inventoried or audited. If the employee is not available, a witness of the employee's choice must be present. Each employee assigned a stamp credit must furnish the installation head two names of postal employees (in order of preference) whom the employee chooses to witness the audit or inventory when he or she is absent. Enter the names of the selected witnesses on Form 3977.

- 4> Select chosen witnesses from employees who work at the same installation unit as the selecting employee. In their absence, the union steward may serve as a witness.

Comments: _____



Were independent counts made? Is the employee sure all disbursements were recorded correctly on the Form 3294? (Exhibit 2)

F-1 Handbook, Section 429.14:

429.14 Doing the Physical Count

Making Independent Counts

- >> The Supervisor must enter the count to one Form 3294, and the employee must enter an independent count to a separate Form. Both must verify count item by item and resolve discrepancies after each stamp credit container assigned the employee has been counted. After each stamp credit container count, make the appropriate entries to the inventory of stamp credit containers section page 4 of the Form 3294.

Comments: _____



Are all necessary signatures on the Form 3294? (Check dates also)

F-1 Handbook, Section 429.17:

429.17 Completing the Examination

>> The supervisor and the employee must sign both copies of the Form 3294.

Comments: _____

ESTABLISHING THE TOLERANCE	
<u>Amount of Stamp Stock</u>	<u>Tolerance</u>
Up to \$30,000.00	\$ 50.00
\$30,000.01 to \$60,000.00	\$100.00
Above \$60,000.00	\$150.00



Did the audit exceed tolerance?

F-1 Handbook, Section 429.16:

429.16 Reconciling Stamp Credit

Establishing the Tolerance

...The tolerance is based on the credit amount entered on the employee's Form 3369 or the highest balance in AIC 853 of the Form 1412 since the previous examination, whichever is higher.

>> Compare the amount in Line 18, Column II, with the tolerance amount established for the size of the stamp credit.

If...the difference does not exceed tolerance, **then...**the examination is complete. Do not recount a stamp credit. Note on Form 3368 and carry forward without further action.

AIC – Account Identifier Code

853 – Stamp accountability closing balance, ending accountability of stamp stock.

Comments: _____



If the shortage exceeded \$100.00 was a PS Form 571 (Exhibit 3) prepared and sent to the Postal Inspectors? Has there been any response?

F-1 Handbook, Section 429.16:

Differences of \$100 or More

>> Prepare a Form 571, *Discrepancy of \$100 or More in Financial Responsibility*, at the time of the examination, if applicable...When you initiate a Form 571, indicate on line 19 of Form 3294.

Comments: _____



Did the employee request a recount?

F-1 Handbook, Section 429.16:

If...the difference amount exceeds tolerance and the parties involved cannot agree to the count, **then...**recount the credit at the request of the employee...

Comments: _____



Was the employee's current audit adjusted correctly? Was his/her previous audit adjusted correctly? If not, this may have caused or contributed to the current audit discrepancy. (Exhibits 4 and 5 show examples of the adjustment of a \$500 shortage and overage on a manual Form 1412).

F-1 Handbook, Section 429.16:

If...the difference does not exceed tolerance, **then...**the examination is complete. ..

Handling Overages

1> For an overage amount exceeding tolerance, enter the amount on the employee's Form 1412 to AIC 057, Employee Overage, in the trust funds received action.

Handling Shortages

1> For shortage amounts exceeding tolerance, record in AIC 767, Stamp Credit Shortage Issued, on employee's Form 1412.

Comments: _____



Can a reasonable relationship be established between the shortage and monies in the employee's trust or an overage in another credit of the employee? Can a reasonable relationship be established between the employee's shortage and the overage in another employee's credit?

F-1 Handbook, Section 429.16:

Handling Overages

- 4> If the overage is related to a shortage in another accountability of the same employee or to a current shortage in another employee's accountability, withdraw funds from trust to clear related shortages. Managers should exercise judgment when determining the existence of a relationship that may warrant offsetting overages.
- 5> Hold an overage in an employee's accountability that is related to the loss of a money order voucher in trust until notification of amount on Form 6401, *Money Order Inquiry...*
- 6> At the expiration of 1 year from the count date, enter the amount of the overage or any portion remaining after offsetting related shortages...

Handling Shortages

- 1> If the shortage is related to an overage in another accountability of the same employee or to a current overage in another employee's accountability, require the employee to replace the missing amount.
- 2> When there is a balance for that employee from a previous overage within 1 year and a relationship is established, use this balance to offset part or all of the shortage.

Comments: _____

OFFSETTING DIFFERENCES

The postmaster or designee must decide whether to adjust shortages and overages found in the audit of stamp credits and other cash accountability. If a postmaster believes that an overage in one employee's credit should be offset against a shortage in another employee's credit because a relationship between the differences exists, secure the written agreement of the employee from whom the overage is to be withdrawn.



Did the employee accept his/her stamp credit by signing Form 3369 – Consigned Credit Receipt? (Exhibit 6)

F-1 Handbook, Section 426.45:

- 1> Both the supervisor and the employee must physically count the stamp stock to be issued. The supervisor must enter the count to one Form 3294, and the employee must enter an independent count to a separate Form 3294. Verify the counts item by item and resolve discrepancies after each stamp credit container has been counted.

- 2> The employee receiving the postage stamps must sign Form 3369 for the total postage stamp amount received. Any change in the amount of stamps credit level will require a new Form 3369 to be completed and signed. The person consigning the stock must complete Form 3369 in triplicate. Enter the following information:
 - Name and work location of the employee accepting the stamp credit consignment.
 - Amount of stock in the stamp credit. (This will be from Form 17 for new stamp credits or Form 3294 for transferred credits.)
 - Maximum cash to be retained.
 - Date and signature of the person issuing the stock.

- 3> The employee who accepts responsibility for the credit must date and sign the form.

Comments: _____



Prior to the employee being assigned his/her security containers, were the locks changed? As a Union, instruct employees to request a check of their keys when they are initially assigned their containers.

F-1 Handbook, Section 426.2:

Protecting Stamp Credits

7> Whenever an employee relinquishes control of an assigned stamp credit for any reason, change the locks on the employee's stamp and cash drawers.

Comments: _____



Did the postmaster, supervisor, or other employees have access to the stamp credit of the grievant?

F-1 Handbook, Section 426.2:

Protecting Stamp Credits

2> Do not allow any employee, supervisor, or postmaster to have access to the stamp credit of another employee.

Comments: _____



Were safe/vault combinations changed when they became compromised and/or a person knowing the combination was separated or transferred to a new position?

F-1 Handbook, Section 372.5:

372.5 Setting and Changing Combinations

- 1>** Post the manufacturer's instructions for changing the combination on the back of the safe or vault door.
- 2>** Place the key for changing the combination in the special container provided or tape it alongside the instructions.
- 3>** Change combinations when (1) a new or different safe is placed in service; (2) a person knowing the combination of a safe or vault is separated or transferred to a new position; or (3) the combination becomes compromised due to the opening of Form 3977 in an emergency or by unauthorized people.

Failure to change a combination under the circumstances noted in step 3 above is considered contributory negligence by the responsible employee if property is stolen from a safe or vault without force.

Comments: _____



Was the equipment assigned to the employee examined by the supervisor and employee to determine that it provides proper safekeeping? If it was determined that it did not provide proper safekeeping, was the employee's supervisor notified in writing?

F-1 Handbook, Section 151.1 & 151.3:

151.1 Postmaster and Station or Branch Manager

- 1> Ensure that protective equipment is used for maximum security at all locations. Observe the following priorities of protection.

<u>Priority</u>	<u>Item</u>
1	Postal Funds (see section 37).
2	Postage stamps, aerogrammes, international reply coupons, migratory-bird hunting and conservation stamps (bird stamps), philatelic, and blank money order forms.
3	Stamped envelopes and postal cards, money order imprinters, nonsalable stamp stock, and nonpostal items.

- 2> Ensure that the descending levels of security in your installation are followed.

<u>Level</u>	<u>Equipment</u>
1	Burglar-resistant chests in fireproof safes or security containers located in walk-in vaults.
2	USPS standard vaults or security containers.
3	Security chests or burglar-resistant chest portion of fireproof safes.
4	Fireproof safes or vaults not built to USPS standards.
5	Lockable metal cabinets and file drawers.

- 4> Examine all equipment assigned to an employee used to protect stock or funds to ensure proper safekeeping.

151.3 All Employees Handling Accountable Paper

- >> Maintain accountable items in the security equipment and advise management in writing of equipment inadequacy or malfunctions.

Comments: _____



Were the grievant's duplicate keys sealed in a Form 3977 – Duplicate Key Envelope (Exhibit 8), and was he/she allowed to designate two (2) witnesses?

F-1 Handbook, Section 372.1 & 426.2:

372.1 Using Form 3977, Duplicate Key Envelope

- 2> Ensure that each responsible employee and a witness to the enclosure of the combination or keys signs the envelope. Postmark as instructed on the form.

426.2 Protecting Stamp Credits

- 3> Each employee assigned a stamp credit must furnish the installation head two names of postal employees (in order of precedence) whom the employee chooses to witness the audit or inventory when he or she is absent. Enter the names of the selected witnesses on Form 3977.
- 4> Select chosen witnesses from employees who work at the same installation unit as the selecting employee. In their absence, the union steward may serve as a witness.

Comments: _____



Has an annual examination been made of all locks and keys in the unit to ensure that individual clerks' keys will not open locked drawers, safe compartments or stamp cabinets of other employees. Was a record kept? If not, request an examination of all keys.

F-1 Handbook, Section 426.2:

426.2 Protecting Stamp Credits

- 8> To safeguard each clerk's stamp credit, a unit supervisor must make an annual examination of all locks and keys in the unit except duplicate keys on file in Forms 3977. This ensures that individual clerks' keys will not open locked drawers, safe compartments, or stamp cabinets of other employees. The supervisor will keep a record for financial examination purposes.

Comments: _____



Were all duplicate key envelopes stored in the main safe or vault in a compartment under the exclusive control of the superintendent or designated subordinate?

F-1 Handbook, Section 372.21:

372.21 Securing Stations and Branches

- >> Hold duplicate keys to stamp credits in the main safe or vault of the station or branch in a compartment under the exclusive control of the manager or a designated subordinate. Send the combinations for the main safe or vault and the duplicate compartment keys in a sealed Form 3977 via registered mail to the postmaster. Store these Forms 3977 in the most secure place under the exclusive control of the postmaster or designated subordinate.

Comments: _____



Is an inventory of Forms 3977 kept? Were all Forms 3977 physically examined every six (6) months? Can the USPS produce a written record?

F-1 Handbook, Section 372.3:

372.3 Keeping Inventory of Sealed Envelopes

Each person with custody of Forms 3977 must maintain a list showing each envelope, the date received, the source, and the location of the safe or vault it relates to.

- >> At least once each 6 months, physically examine each Form 3977 to be certain it is on hand and intact. Place a written, dated and signed report of this inventory in the file with the list.

Comments: _____



Were any Forms 3977 missing or opened? If so, was this reported to the postal inspectors? Is there evidence of tampering (e.g., scotch tape, glue, staples, etc.)?

F-1 Handbook, Section 372.4

372.4 Handling Loss or Unauthorized Opening of Envelopes

- 1> When any Form 3977 is discovered to be missing, destroyed, or opened by an unauthorized person, the person having custody must immediately notify the person having jurisdiction over the safe, vault, or stamp credit. Perform an examination of inventory. Change combinations or locks, and prepare a new Form 3977.
- 2> When a Form 3977 is missing or possibly opened as a result of burglary or other criminal act, notify the local inspector in charge immediately.

Comments: _____



Did the grievant lock his security containers when they could not be continuously observed? If not, why?

F-1 Handbook, Section 151.41:

151.41 Keeping Custody

Postal funds (a) must be kept safely without loaning, using, depositing in an unauthorized bank, or exchanging for other funds; (b) must be kept separate from personal funds.

>> Keep postal funds inaccessible to the public and concealed from view. Make necessary arrangements for advance deposits, in addition to regular deposits, when funds in excess of normal operating needs accumulate early in the day. When funds are not continuously observed, keep them in locked receptacles.

Comments: _____



Are all building keys accurately inventoried and accounted for? Have all employees returned keys when their duties were no longer required?

ASM Handbook, Section 273.461 & 273.462:

273.461 Inventory

Postmasters must keep an accurate inventory (including serial number and brand name of lock, total number of keys available, location of lock by door and/or room number, how and when disposed of) of all building keys and signed receipts for all assigned keys. Signed receipts are obtained using Form 1628, Individual Key Record, when keys are assigned.

273.462 Return of Keys

When an employee's duties no longer require the use of an assigned key, or the employee leaves the service, the key must be returned immediately. The date of return is then entered on Form 1628 as the release of accountability. If keys used to operate exterior doors to the facility are not returned, the locks must be replaced or re-keyed.

Comments: _____



Who is in possession of building master keys? Does their possession of master keys violate Section 273.48 of the ASM?

ASM Handbook, Section 273.48:

273.48 Master Keys

Only postmasters, installation heads, or their designees may carry a master key. At installations having a Postal Service security force, one or more master keys are issued to the ranking postal police supervisor for use by postal police in emergencies. Master keys are issued to maintenance employees only during their tours of duty and may not be carried from the building. No other occupants of the building are issued master keys, and any such keys in the possession of other occupants must be recalled. Master keying is not permitted for locks opening stamped envelope rooms or other locations requiring individual accountability of contents.

Comments: _____



Did the employee experience any machine malfunctions (meter, programmable calculators, IRT, etc.), during the audit period? Was management notified? Is there any physical evidence? Did the employee cease using the malfunctioning equipment?

Article 28

Report of Security Problem or Poor Financial Practice Form

F-1 Handbook, Section 151.3:

151.3 All Employees Handling Accountable Paper

>> Maintain accountable items in the security equipment and advise management in writing of equipment inadequacy or malfunctions.

Comments: _____



Was the value of the employee's stamp credit adjusted consistent with the protection afforded so as to facilitate requisition for full units of stock?

F-1 Handbook, Section 426.1:

426.1 Defining Stamp Credits

A stamp credit is the value of the stamp stock consigned to an employee from the main or unit reserve stock in an office. A window clerk stamp credit consists of the supply of each stock item necessary to meet normal customer demand.

- >> As customer demand is inconsistent with weekly replenishment, give some latitude. Hold stamp credits to a reasonable multiple of the weekly sales amount. Adjust the value of stamp credits consistent with the protection afforded to facilitate requisitions for full units of stock. You may exceed stock limits to permit filling of orders in full sheets, boxes, or packaged lots. During Christmas and other high-volume periods, determine stock limits by local office standard operating procedures without individual authorizations.

Comments: _____



Were the filling of window clerks' requisitions scheduled weekly?

F-1 Handbook, Section 425.38:

425.38 Procedural Exceptions at Stations

- 1> Schedule the filling of window clerk requisitions weekly. Report window clerks who fail to follow the schedule to the station manager.

Comments: _____



When requisitions were received, was all stamp stock counted and recorded on the reverse side of the Form 17? Was the grievant given enough time to do a proper count of the stock received on PS Form 17? (Exhibit 9)

F-1 Handbook, Section 425.1:

425.1 Replenishing Stock - Window Clerks

- 4> When the stamp stock arrives, list stock counted on the reverse of the copy of Form 17. Ensure that the amounts on the front agree and sign on the received line on the original. Initial any changes or corrections and verify they are identical on each form. Keep the copy of Form 17 until the next stamp credit count.

Comments: _____



Did the grievant sell or trade stamp stock with another employee? If so, was a Form 17 used?

F-1 Handbook, Section 422.22

422.22 For Window Clerks

Employees should not trade or purchase from one another in order to maintain individual accountability. When it is necessary to trade or purchase stock from another window clerk, a Form 17 should be completed in duplicate. Enter "trade" or "purchase," stock involved, and names of both employees of Form 17. Each employee must keep a copy until the next stamp credit examination.

Comments: _____



Did the grievant verify the continuity of the serial numbers when he/she were issued money orders?

F-1 Handbook, Section 742.22:

742.22 To Window Clerks

- >> Do not split a package of 100 domestic money order form sets between window clerks. Money orders must be issued in ascending serial number sequence. Acknowledge the receipt of blank money order sets by signing a Form 17. Verify the continuity of serial numbers of broken packages upon receipt and unbroken packages when opened.

Comments: _____



Were the clerk's turn ins of cash and checks all verified in his/her presence and signed for on his/her Form 1412? (Manual-Exhibit 10 & IRT-Exhibit 11)

F-1 Handbook, Section 221.12 & 221.13:

221.12 Finalizing the Individual Clerk Form 1412

- 8> Sign the final Form 1412
- 9> Submit documents.
 - a. Submit final Form 1412, all supporting documents, and finds to the designated closeout employee, making sure the designated employee initials the AIC 752 entry for the funds on the clerk's copy of the final Form 1412.
 - b. Keep a copy of final Form 1412 through the next stamp credit examination.

221.13 Consolidating the Individual Form 1412 and Preparing a Unit Form 1412 – Designated Employee

- 1> Clear each clerk.

Count funds remitted in the presence of the remitting clerk.

Initial the AIC 752 entry on the clerk's copy of Form 1412.
- 2> Verify supporting documents.

For each clerk's Form 1412, verify that amounts on adding machine tapes and IRT lists agree with AIC entries on Form 1412.

Determine the cause of any difference and adjust totals shown on the Form 1412 to agree with supporting documents...

Comments: _____



Should a separate Form 3977 be maintained for IRT passwords and/or credit or debit card passwords?

F-1 Handbook, Section 372.1:

372.1 Using Form 3977, Duplicate Key Envelope

Note: Maintain a separate Form 3977 for IRT passwords and for credit/debit card passwords for individual clerks if the two passwords are different...

Comments: _____



Did the employee use his/her credit at least once each accounting period?

F-1 Handbook, Section 426.6:

3> Cancel stamp credits not used at least once in an AP.

Comments: _____



Was a Form 3602-PO, Meter Receipt (Exhibit 12) completed each time an employee relinquished control of the meter even if the meter was not assigned to another clerk during his/her absence? Was an informal meter receipt made out anytime the clerk was out of sight of his/her meter? [See also Exhibit 12-A, Postage Validation Imprinter (PVI)]

F-1 Handbook, Section 714.1:

714.1 Reporting in Post Offices and Classified Units

- 1> Each day, the meter operator must record the meter number, unit or station name, date and beginning ascending and descending register reading on Form 3602-PO. The supervisor must verify the register readings before initial operation. At the end of the tour, the operator must record the ending, ascending and descending register readings. The difference between the beginning and ending readings represents the postage for which the operator is accountable. When a window clerk is relieved, he or she should complete Form 3602-PO, and another relief clerk should begin Form 3602-PO. Use this procedure even if the postage meter will not be assigned to another window clerk during the clerk's absence. A supervisor must verify all readings and initial them. When a window clerk must leave the window area to retrieve a parcel or other mail for a customer, the clerk must record the descending register reading on a piece of paper or lock to ensure that no one tampers with the postage meter.

Comments: _____



Did the grievant receive the standard training?

See Article 37.3.F.7 and Sale and Service Associate Training Guides

Comments: _____



Was a second independent tape of the grievant's individual money order vouchers run by a member or designated employee?

F-1 Handbook, Section 743.2:

742.2 Controlling all Post Offices Except Contract Postal Units or Community Post Offices

The manager or designated employee must do the following:

- 1> Prepare a second independent adding machine tape of the individual vouchers to verify that the adding machine tape or money order listing totals agree with the Forms 1412 received from each issuing clerk. For IRT offices, run a unit Form 1412 IRT listing and verify with the individual vouchers.
- 2> Verify the following:
 - That all vouchers have the same date of issue.
 - That clerks use money orders in serial number sequence (first 10 digits).
 - That each clerk is identified on the adding machine tape or listing.
 - That each clerk had identified and submitted the spoiled money orders as a separate group.
- 3> Make sure any customer receipt copies for no fee money orders represent proper issues for this purpose.
- 4> Where COD money order business is involved, continue to use appropriate procedures in DMM Module S921.
- 5> Make Sure unit Form 1412 totals of amounts and fees equal the amounts and fees from issuing clerk Forms 1412.
- 6> Fasten all Forms 8105 together and submit daily along with the unit Form 1412 to the accountbook unit

Comments: _____



Did the grievant have sales of discounted envelopes during the audit period? Were these discounts recorded and turned in on Form 3220? (Exhibit 13) If not, can the employee recreate and prove such sales?

F-1 Handbook, Section 426.82:

426.82 Recording Sale of Full Boxes to Customers at Discount

- 1> See that the window clerk reports the sale of full boxes as "Postage Sales" on Form 1412 at the discounted. Apply the discounted amount o the employee's stamp accountability by submitting Form 3220, Claim for Stamped Envelope Discount. (Exhibit 10)
- 2> Enter the discount amount to AIC 846 and support with Form 3220.
- 3> Make entries in ink.
- 4> Enter the purchaser's name (firm name, if applicable). If a cash purchaser is unwilling to provide the name, indicate this on the form and notify a supervisor who will initial the entry.
- 5> Submit Form 3220 for credit at least once each AP.
- 6> See that the unit manager or other designated person verifies the computations on Form 3220. Manager verification will determine if the claim is reasonable by ensuring the clerk has Forms 17 showing that sufficient stamped envelopes were in his or her possession.

Comments: _____



Has your office complied with Postal Regulations requiring certain locks be replaced immediately?

ASM Handbook, Section 273.471:

273.471 Procedures

Immediately report a lost or stolen key or access control card to the inspector in charge. Describe in detail the key or access control card, case or key chain. If the key is lost to an outside door, immediately exchange the lock cylinder on the entrance door with one from the interior of the building that is not operable by the building master key.

Comments: _____



Was a Letter of Demand issued? What options was the employee given for payment of the shortage? Did the Letter of Demand include the employee’s contractual rights to grieve the demand letter?

Article 28.4.A & B, ELM 460: (Exhibit 14)

F-1 Handbook, Section 142 & 361.1:

142 Demanding Payment for Losses

All employees must receive written notice of any money demand for any reason.

>> The postmaster or designee must sign a letter for demand, which does the following:

- Notifies the employee of a USPS determination of the existence, nature and amount of the debt.
- Specifies the options available to the employee to (1) repay the debt or (2) appeal the USPS determination of the debt or the proposed method for repaying.

Regulations detailing the rights of non-bargaining unit employees and the collection and appeal requirements that apply are in Employee and Labor Relations Manual (ELM) 450. Requirements for collecting debts from bargaining unit employees are in ELM 460 and the applicable collective bargaining agreement.

361.1 Bargaining Unit Employees

When in accordance with the conditions and standards set forth in Article 28 of the employee’s respective collective bargaining agreement and Employee and Labor Relations Manual (ELM) 460, it is determined that a bargaining unit employee is financially liable to the Postal Service, any demand for payment must be in writing and signed by the postmaster or designee. In addition to notifying the employee of a USPS determination of the existence, nature, and amount of the debt, the demand letter must include the employee’s right to challenge the USPS claim. Care must be taken to ensure that any letter of demand served on an employee provides notice of the employee’s right to challenge the demand under the applicable collective bargaining agreement.

If an employee files a grievance over a money demand, collection will be delayed until after disposition of the grievance either by settlement with the union or through the grievance arbitration procedure.

Comments: _____



Can the Inspection Service withhold employees' salary checks when issued letters of demand?

See Mahon to Burrus Letter dated June 5, 1989 (Exhibit 15)

It is our understanding that the Inspection Service may not withhold employees' salary checks. In seeking to collect a debt from a collective bargaining unit employee, the U.S. Postal Service adheres to the procedural requirements governing the collection of debts as specified in Article 28, Employer Claims, of the National Agreement, and ELM 460, Collection of Postal Debts from Bargaining Unit Employees.

Comments: _____



Administrative Services

Security Container Cabinet Locks

A potential security deficiency exists with some cabinet locks. These locks are inside fireproof safes and security containers used to store the clerk's accountability drawers and bulk stamp stock. The cabinet locks in security containers manufactured after 1988 use the United States Postal Service 933L lock and should not be a problem.

The locks in question are similar to locker locks, and in some cases are locker locks used to replace original equipment.

Take the following corrective action immediately and include it in all future key checks or lock replacements.

1. Compare locker keys provided to any employee with access to stamp stock or to the retail storage space to determine if these keys open the cabinet door locks inside fireproof safes or security containers.
2. Replace locks that can be opened by the locker keys by either of the following locks: Illinois Lock Company, cabinet model lock No. 25002Y11, or Master Lock company, model lock No. 1710KD.

Note: These locks should not be master keyed.

Before changing a locker lock, check the key to determine if it meets the criteria described above. In addition to fulfilling the requirements of Handbook F-1, Post Office Accounting Procedures, Section 426.2 (8), conduct a yearly check of the locker locks and keys to ensure the container cabinet locks cannot be comprised.

- Inspection Service, 11-25-93

Comments: _____

CHECK ACCEPTANCE



Did the procedures the employee used to accept a bad check conform to the F-1 Handbook regulations and/or a local written or verbal modification of these requirements?

F-1 Handbook, Section 323:

- >> If checks are returned and are determined to be part of a scam to pass bad checks, retain the original check(s) for use by the U.S. Postal Inspection Service. In such cases, the postal inspectors need the original check to prosecute offenders. The value of this type of check should be written off as a claim for loss immediately.

- >> If the clerk did not follow proper acceptance procedures, send the check to CSC. If collection cannot be made from the customer within a reasonable time, request the check from CSC and collect the amount due from the clerk.

Comments: _____



Was the customer's name on the bad check list? If so, did the employee have that information available to him/her at the day and time the check was accepted?

F-1 Handbook, Section 324.2:

324.2 Processing a Returned Check

- 6> Enter the name of the customer on the bad check list. The customer should remain on the list unless the postmaster or district Finance manager approves a customer's request to be removed from the list for a valid reason. The bad check list should be distributed to retail units no less frequently than once an accounting period.

Note: DAO's may establish a local policy that specifies the time period that customers should remain on the bad check list. Such policies should take into account local economic conditions relative to the volume of returned checks. Customers who write a check that is never collected, however, should remain on the bad check list at least one year.

Comments: _____



Did management attempt to collect from the customer?

F-1 Handbook, Section 321:

321 Collecting on Returned Checks

The U.S. Postal Service has a contract with CSC Services, a check collection agency, to collect on checks returned by the bank. You must use CSC unless previously authorized by Headquarters to use another service.

You may attempt to collect locally: however, checks should be sent to CSC as soon as possible if local check collection efforts are not successful.

Special Note: DAO's and banking post office postmasters must make arrangements with their banks to have nonsufficient funds checks redeposited (present for payment a second time) automatically.

Comments: _____



Did management send the check to the collection agency?

F-1 Handbook, Section 324:

324 Sending a Returned Check to the Collection Agency

324.1 Responsibility

In a non-SFAP banking post office, the postmaster is responsible.

The DAO is responsible for all of its SFAP.

324.2 Processing a Returned Check

- 1> Complete Form 2131, Uncollectible Check Report, for each check by entering the information in the appropriate blocks.
- 3> Send the original Form 2131 along with the original check to CSC Services at the address preprinted on Form 2131.

Managing Postal Funds F-1 Handbook, Section 311-324

(See Exhibits 16, 17 & 18)

Comments: _____

