



Office of Inspector General | United States Postal Service

Audit Report

Timecard Adjustments at U.S. Postal Service Facilities in the Greater Boston District

Report Number HR-AR-18-007 | August 1, 2018



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Highlights

Objective

This report responds to a request from U.S. Congressmen Michael Capuano and Stephen Lynch regarding unauthorized timecard manipulations that impacted employee workhours at selected U.S. Postal Service facilities in the Greater Boston District. Our objective was to assess whether timecard adjustments were conducted in accordance with Postal Service policy.

The Postal Service uses the Time and Attendance Collection System (TACS) to capture workhours employees spend on various post office operations. Employees record the amount of time and the operation they work by swiping electronic timecards on an electronic badge reader at each facility. Each swipe records time in TACS and is referred to as a clock ring.

A timecard adjustment occurs when a supervisor deletes, adds, or changes a clock ring in TACS to adjust an employee's combination of work and leave hours. Time may be disallowed when a supervisor observes or has proven knowledge that an employee did not work while "on the clock."

When this occurs, supervisors must adjust the employee's time in TACS and prepare a written entry on Postal Service (PS) Form 1017-A, Time Disallowance Record. Supervisors must also complete required forms for deleting, adding, or changing a clock ring to document the adjustment, depending on the reason.

We reviewed a statistical sample of 199 of 5,150 total timecard adjustments for disallowed time for letter carriers at 13 of 298 sites in the Greater Boston District from April 1, 2015, through September 30, 2017. Based on issues we found for disallowed time adjustments, we also reviewed an additional 50 timecard adjustments involving deleted clock rings and extended lunch times.

What the OIG Found

Supervisors in the Greater Boston District did not systemically adjust timecards in accordance with Postal Service policy. Specifically, 89 percent (177 of 199) of

PS Forms 1017-A for 177 were not completed or maintained as required when employee time is disallowed. Of the 22 forms received, 50 percent (or 11) were missing key required information, such as the date the supervisor notified the employee and/or the reason for disallowing the time. In addition, we determined supervisors at one facility deleted 30 employee clock rings and extended 20 employee lunch times without any supporting documentation to justify the adjustment. Further, we referred these issues to our Office of Investigation.

These issues occurred because supervisors were not sufficiently trained in proper procedures for disallowing time, deleting clock rings, and extending lunch times; and district and facility management did not adequately oversee facility supervisors to ensure that they performed these actions properly.

In addition, there was no formal process in place to review and monitor timecard adjustments to ensure supervisors completed forms as required.

Improperly removing employee time could lead to grievances or subject the Postal Service to fines and penalties, according to the Fair Labor Standards Act and the Department of Labor. We identified 470 hours that equated to \$20,345 in unpaid wages due to supervisors not properly supporting timecard adjustments.

Finally, we determined that there are opportunities to explore TACS system controls to help ensure required information on disallowing time is captured in the system.

What the OIG Recommended

We recommended management improve training of supervisors to include procedures for disallowing time, deleting clock rings, and extending lunch times; establish a formal oversight process at district and facility levels to ensure supervisors performed these actions properly; and assess the feasibility of using systems controls in TACS to ensure supervisors make timecard adjustments in accordance with Postal Service policy.

Transmittal Letter

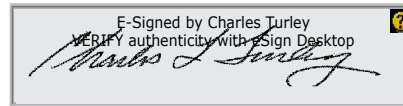


OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 1, 2018

MEMORANDUM FOR: MICHAEL W. RAKES
MANAGER, GREATER BOSTON DISTRICT

MAURA A. MCDEVITT CONTROLLER,
VICE PRESIDENT



FROM: Charles L. Turley
Deputy Assistant Inspector General
for Supply Management & Human Resources

SUBJECT: Audit Report – Timecard Adjustments at
U.S. Postal Service Facilities in the Greater
Boston District (Report Number HR-AR-18-007)

This report presents the results of our audit of Timecard Adjustments at U.S. Postal Service Facilities in the Greater Boston District (Project Number 18SMG013HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lucine M. Willis, Director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management
Vice President, Area Operations

Results

Introduction/Objective

This report presents the results of our audit of Timecard Adjustments at U.S. Postal Service Facilities in the Greater Boston District (Project Number 18SMG013HR000). This report responds to a request from U.S. Congressmen Michael Capuano and Stephen Lynch regarding unauthorized timecard manipulations occurring in Chelsea, MA, and up to 12 other work locations in the Greater Boston District. Our objective was to assess whether timecard adjustments were conducted in accordance with Postal Service policy.

We reviewed a statistical sample of 199 timecard adjustments for disallowed time from April 1, 2015, through September 30, 2017, for letter carriers at 13 sites in the Greater Boston District. We also reviewed 30 deleted clock rings and 20 extended lunch times at the Chelsea Carrier Annex.

Background

The Postal Service uses the Time and Attendance Collection System (TACS)¹ to capture the number of workhours employees spend working various post office operations. Employees record the time and operations they work by swiping electronic timecards on an electronic badge reader (EBR). Postal Service procedures require employees to swipe their timecards and enter an operation code each time they begin working a new operation. Each swipe records time in TACS and is referred to as a clock ring.

Postmasters are responsible for managing disallowed time and unauthorized overtime at facilities they oversee. Supervisors at these facilities are responsible for ensuring employees complete their duties and clock

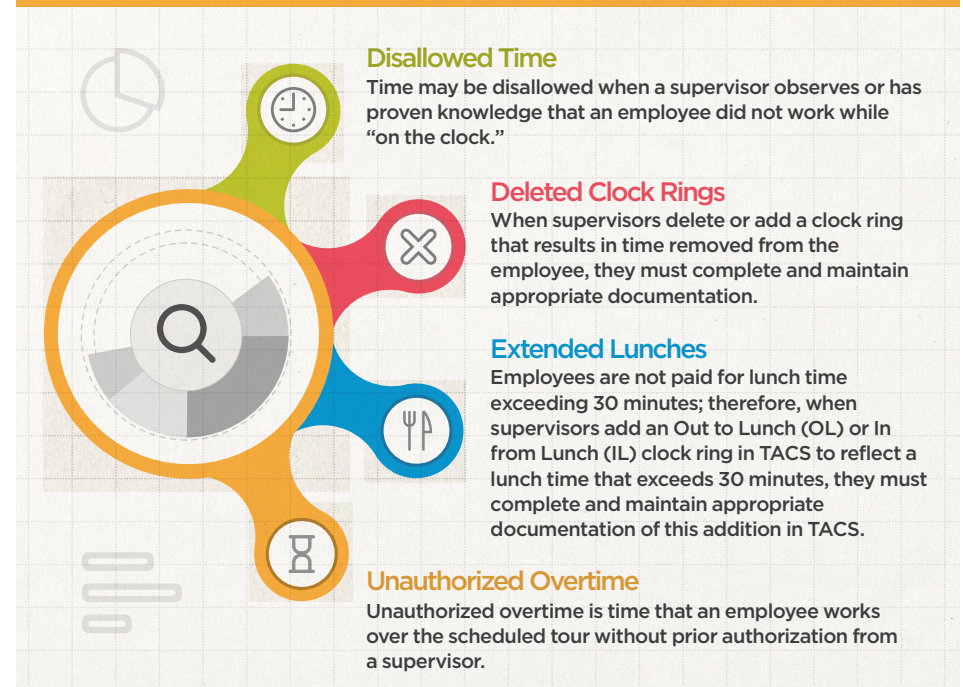
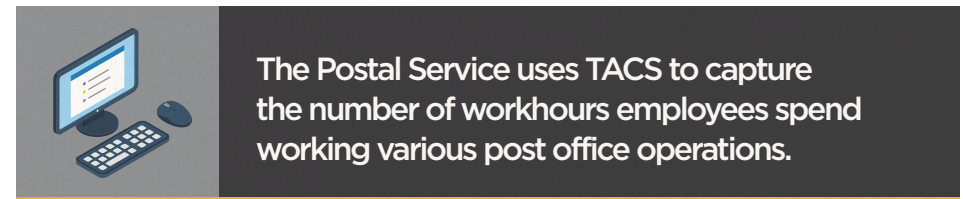
“Postal Service supervisors did not complete and maintain required supporting documentation for disallowing time, deleting clock rings, and/or extending lunch times.”

¹ The Postal Service uses TACS to collect data necessary to correctly pay employees.

out promptly upon completion of their tour and minimizing occurrences of unauthorized workhours, including overtime and penalty overtime. A timecard adjustment occurs when a supervisor adds, changes, or deletes a clock ring in TACS to adjust an employee’s combination of work and leave hours.

Disallowed Time

Time may be disallowed when a supervisor observes or has proven knowledge that an employee did not work while “on the clock.” Employees are not paid for disallowed time.



From April 1, 2015, through September 30, 2017, the 13 identified Postal Service facilities in the Greater Boston District accounted for 5,150 records of disallowed

time involving 814 employees, 142 supervisors, and 528.58 workhours of disallowed time (see Table 1). We evaluated a statistical sample of 199 records.

Table 1. Disallowed Time for Carriers at Selected Facilities in the Greater Boston Area

| Facilities | Count of Records | Count of Employees | Count of Supervisors | Sum of Disallowed Time |
|---------------------------------|------------------|--------------------|----------------------|------------------------|
| Chelsea Carrier Annex | 1,246 | 182 | 28 | 115.88 |
| Brookline Branch | 906 | 85 | 18 | 80.51 |
| Central Square Main Post Office | 315 | 73 | 13 | 64.67 |
| Brighton Station | 551 | 57 | 13 | 55.86 |
| Revere Carrier Annex | 320 | 84 | 17 | 44.32 |
| Jamaica Plain Station | 281 | 66 | 16 | 39.09 |
| Allston Station | 208 | 30 | 14 | 27.19 |
| Waltham Branch | 510 | 81 | 15 | 24.07 |
| Medford Branch | 232 | 58 | 16 | 20.6 |
| Weston Branch | 130 | 26 | 5 | 19.83 |
| Fort Point Station | 196 | 49 | 11 | 18.98 |
| Weymouth Branch | 135 | 17 | 7 | 9.92 |
| Stoneham Branch | 120 | 28 | 7 | 7.66 |
| Grand Total | 5,150 | 814 | 142 | 528.58 |

Source: U.S. Postal Service Office of Inspector General (OIG) analysis and TACS.

Deleted Clock Rings and Extended Lunches

When supervisors delete or add a clock ring that results in time removed from the employee, they must complete and maintain appropriate documentation. For example, employees are not paid for lunch time exceeding 30 minutes; therefore, when supervisors add an Out to Lunch (OL) or In from Lunch (IL) clock ring in TACS to reflect a lunch time that exceeds 30 minutes, they must complete and maintain appropriate documentation of this addition in TACS.

Unauthorized Overtime

Unauthorized overtime is time that an employee works over the scheduled tour without prior authorization from a supervisor. If a supervisor does not observe or have reason to believe that an employee performed no work while “on the clock,” that time must be paid.

From April 1, 2015, through September 30, 2017, 13 facilities in the Greater Boston District accounted for 13,000 unauthorized overtime records involving 639 employees and 10,475.01 unauthorized overtime workhours (see Table 2).

Table 2. Unauthorized Overtime for Carriers at Selected Facilities in the Greater Boston District

| Facility | Count of Records | Count of Employees | Sum of Unauthorized Overtime |
|---------------------------------|------------------|--------------------|------------------------------|
| Brookline Branch | 6,101 | 99 | 5,291.47 |
| Jamaica Plain Station | 2,100 | 78 | 1,518.18 |
| Chelsea Carrier Annex | 1,395 | 196 | 1,475.88 |
| Revere Carrier Annex | 2,064 | 101 | 1,354.91 |
| Bos-Brighton Station | 794 | 56 | 333.68 |
| Bos-Fort Point Station | 185 | 57 | 219.38 |
| Bos-Stoneham Branch | 277 | 29 | 157.84 |
| Central Square Main Post Office | 9 | 8 | 50.18 |
| Allston Station | 56 | 22 | 47.07 |
| Waltham Branch | 8 | 2 | 8.95 |
| Medford Branch | 7 | 6 | 8.34 |
| Weymouth Branch | 3 | 1 | 8.15 |
| Weston Branch | 1 | 1 | 0.98 |
| Total | 13,000 | 639 | 10,475.01 |

Source: OIG analysis and TACS.

Finding #1: Improper Timecard Adjustments

Postal Service supervisors did not complete and maintain required supporting documentation for disallowing time, deleting clock rings, and/or extending lunch times. When adjustments are made, supervisors must complete the appropriate form to document the adjustment based on the reason for the timecard adjustment.

Specifically:

- When disallowing time, supervisors should adjust the employee’s time in TACS and complete Postal Service (PS) Form 1017-A, Time Disallowance Record,² to include the Employee Identification Number (EIN), amount of time disallowed, reason for the disallowance of time, and date they notified the employee. According to Postal Service policy, a PS Form 1017-A should be placed in a binder, secured from unauthorized access, and retained for three years.³
- When adding a missed basic clock ring to TACS, such as Begin Tour, End Tour, and/or IL and OL, supervisors must complete and retain a PS Form 1260, Nontransactor Card.⁴
- If a supervisor deletes a clock ring or extends the lunch time of an employee and adjusts the employee’s time due to an unscheduled absence, the employee must complete, and the supervisor must sign a PS Form 3971, Request for or Notification of Absence.⁵

Disallowed Time

We reviewed a statistical sample of 199 of 5,150 timecard adjustments related to disallowed time made by 34 supervisors at 13 facilities. Supervisors did not provide required documentation for 177 of 199 adjustments (89 percent, or 4,580 projected over the universe of disallowed time transactions). Of the 22 forms received, 11 (50 percent) were missing the following required information:

² According to Postal Service Handbook F-21, *Time and Attendance*, supervisors must establish a PS Form 1017-A for employees with disallowed time.

³ In FY 2009, a directive from the Northeast Area required management to retain these forms indefinitely due to a litigation hold on payroll and attendance records. This litigation hold has not been lifted and is currently in effect.

⁴ According to Postal Service Handbook M-32, *Management Transportation Data Operating Systems*, PS Form 1260 must be used to document employee workhours when the hours are recorded manually in TACS.

⁵ The Postal Service uses PS Form 3971 to document granting or denying an employee’s request for official leave from Postal Service duty.

“Supervisors did not provide required documentation for 177 of 199 adjustments (89 percent, or 4,580 projected over the universe of disallowed time transactions).”

- Five of 11 (45 percent) forms did not include the date the supervisor notified the employee; and
- Eleven of 11 (100 percent) forms did not document a reason for the disallowed time.

Deleted Clock Rings

We reviewed 30 timecard adjustments related to deleted clock rings made by nine supervisors at the Chelsea Carrier Annex. Supervisors did not provide any documentation for deleting 21 End Tour entries and nine Begin Tour entries, resulting in the removal of 5.23 overtime hours, 1.80 penalty overtime hours, and 0.70 normal workhours from employees (see Table 3).

Table 3. Deleted Clock Rings at Chelsea Carrier Annex

| Type of Transaction | Number of Deleted Rings | Total Overtime | Total Penalty Overtime | Total Workhours |
|---------------------|-------------------------|----------------|------------------------|-----------------|
| Begin Tour | 9 | 2.28 | 0.01 | 0.70 |
| End Tour | 21 | 2.95 | 1.79 | - |
| Total | 30 | 5.23 | 1.80 | 0.70 |

Source: OIG analysis and TACS.

The following are examples of clock rings deletions identified:

- A supervisor deleted and replaced a carrier Begin Tour ring. The carrier clocked in on an EBR at 7:68.⁶ The supervisor deleted this clock ring and added a 9:50 Begin Tour. A total of 1.82 total workhours was taken from the carrier, 1.12 of which would have been overtime.
- A supervisor deleted and replaced a carrier's End Tour ring. The carrier clocked out for the day on an EBR at 18.50. The supervisor deleted that clock ring and added a ring of 18.00. A total of 0.50 workhours was taken from the carrier, 0.48 of which would have been penalty overtime.
- A supervisor deleted and replaced a carrier's Begin Tour ring. The carrier clocked in for the day on an EBR at 7:43. The supervisor later deleted this clock ring and entered a Begin Tour of 7:50. This is a difference of 0.07 workhours, which prevented the carrier from going into overtime.

Extended Lunch Times

We reviewed 20 timecard adjustments related to extended lunch times⁷ made by six supervisors at the Chelsea Carrier Annex. Supervisors did not provide any required documentation for the removal of 7.15 overtime hours, 0.71 penalty overtime hours, and 0.88 workhours from employees (see Table 4).

Table 4. Lunch Extensions at Chelsea Carrier Annex

| Type of Transaction | Number of Lunch Extensions | Total Overtime | Total Penalty Overtime | Total Workhours |
|---------------------|----------------------------|----------------|------------------------|-----------------|
| In from Lunch | 20 | 7.15 | 0.71 | 0.88 |
| Total | 20 | 7.15 | 0.71 | 0.88 |

Source: TACS.

⁶ According to Handbook F-21, the Postal Service converts ordinary time to 24-hour time including the use of decimal equivalent of minutes.

⁷ Carriers do not clock out or in for lunch when assigned to deliver mail. TACS automatically takes out a 0.50-hour lunch when there are no lunch rings on a given day.

The following are examples of extended lunch times identified:

- A supervisor entered an OL and an IL clock ring for a carrier. The supervisor entered an OL of 12.00 and an IL of 13.00, which is 0.50 hours more than the usual 0.50 hours given for lunch. This time would have been overtime for the carrier.
- A supervisor deleted a carrier's IL clock ring. The carrier had gone to lunch at 12.50 and clocked back in from lunch at 13.00, totaling a 0.50-hour lunch. However, the supervisor deleted the carrier's IL ring and replaced it with 13.11. This made the total lunch time 0.61 hours, which is 0.11 hours more than the usual 0.50 hours given for lunch. This time would have been penalty overtime for the carrier.
- A supervisor entered lunch transactions for a carrier. The supervisor entered a 2-hour lunch, from 14.25 to 16.25. This is 1.5 hours more than the usual 0.5 hours given for lunch. This time would have been overtime for the carrier.

The improper disallowance of time, deleted clock rings, and extended lunch times occurred because supervisors were not properly trained and there was not adequate oversight to ensure these transactions were conducted appropriately. Additionally, there are opportunities to explore TACS system controls to help ensure required information on disallowing time is captured in the system.

Training

Supervisors were not sufficiently trained to ensure they understood the requirements and procedures for disallowing time, deleting clock rings, and extending lunches. We reviewed training records for the 34 supervisors who disallowed time in our sample. From fiscal year (FY) 2007 through FY 2017,

“Supervisors were not sufficiently trained to ensure they understood the requirements and procedures for disallowing time, deleting clock rings, and extending lunches.”

13 of 34 supervisors did not complete mandatory TACS supervisor training. Seven of the 34 supervisors were in acting roles. Additionally, although the *Supervisor TACS User Guide*⁸ provides the requirements for disallowing time, such as completing a PS Form 1017-A, the guide does not provide instruction on how to appropriately document deleted clock rings and extended lunch times that result in disallowed time.

Management Oversight

Postal Service management did not provide adequate oversight at district and facility levels to ensure supervisors completed and maintained documentation for disallowed time, deleted clock rings, and extended lunches. Specifically, there was no formal process in place to review and monitor these timecard adjustments to ensure supervisors completed required documentation in accordance with Postal Service policy.

District and facility management stated they did not track disallowed time, deleted clock rings, and extended lunch times and did not receive or produce any related TACS reports.⁹ Although management was aware of the requirements for disallowed time, they were generally not aware of the requirements for supporting deleted clock rings and extended lunches.

TACS records deleted clock rings and extended lunch times in the Employee Everything Report;¹⁰ however, the system does not automatically categorize these adjustments as time removed from the employee and does not prompt the supervisor to complete the required documentation. For example, when a user disallows time, TACS notifies the user via a pop-up notification that a PS Form 1017-A form is required. However, users can bypass the notification and continue to disallow time without completing the form, thus reducing visibility over these transactions.

To strengthen controls over TACS, management could implement system enhancements, such as:

- Establishing a check box for the user to certify completion of PS Form 1017-A for each occurrence of disallowed time and prevent the user from disallowing time if the certification is not provided.
- Establishing a check box for the user to certify that the employee was notified of the time removed due to the deletion of clock rings and extended lunch times.
- Creating an alert mechanism to the next level of management for each occurrence of disallowed time, deleted clock rings, and extended lunch times which result in time removed from the employee.
- Requiring users to provide a reason(s) for deleted clock rings and extended lunch times.

Improperly removing employee time could lead to grievances and potential fines and penalties. We identified 470 hours that equated to \$20,345 in unpaid wages due to supervisors not properly documenting timecard adjustments. This amount represents \$19,837 in unpaid wages to carriers and city carrier assistants (CCA) for disallowed time and \$508 in unpaid wages for deleted clock rings and extended lunch times. During FY 2017, four grievances were filed against the Postal Service regarding unauthorized timecard adjustments. One of the grievances is a class action and pending resolution and the remaining three were settled.

The Postal Service could also be assessed fines and penalties of up to \$1,964 for each “repeat” or “willful” violation of the Fair Labor Standards Act and be subject to enforcement action by the Department of Labor, which could result in the recovery of employee back wages and liquidated damages in the equivalent amount.

⁸ The guide contains content from TACS training and guidance on making timecard adjustments.

⁹ TACS allows the user to generate reports on disallowance activity. These reports detail the amount of time disallowed for each employee and records the EIN of the supervisor who made the adjustment during a specified time period.

¹⁰ The Employee Everything Report identifies timecard adjustments in the TACS database for a particular employee for a particular year, pay period, and week.

Recommendation #1

The Manager, Greater Boston District, improve training to supervisors to include procedures for disallowing time, deleting clock rings and extending lunch times.

Recommendation #2

The Manager, Greater Boston District, establish a formal oversight process at the district and facility levels to ensure supervisors disallow time, delete clock rings, and extend lunches properly.

Recommendation #3

The Controller, Vice President, assess the feasibility of using systems controls in the Time and Attendance Collection System (TACS) to ensure supervisors disallow time, delete clock rings, and extend lunch times in accordance with Postal Service policy. If management deems enhancing TACS controls unfeasible, we recommend designing mitigating controls to prevent supervisors from improperly adjusting timecards.

Other Matters - Use of Unauthorized Overtime

As part of our review of disallowed time, we noted issues with the use of PS Form 1017-B; therefore, we expanded our scope to assess whether unauthorized overtime was properly documented. Supervisors did not complete and maintain PS Forms 1017-B to document and address the use of unauthorized overtime, as required.¹¹ We reviewed a statistical sample of 209 of 13,000 unauthorized overtime transactions representing the 13 selected facilities. Management did not provide supporting documentation for 184 of the 209 (88 percent) transactions, which represented 145 hours of unauthorized overtime (or 11,445 projected over the universe of unauthorized overtime transactions). The 145 hours resulted in \$6,249 in overtime costs to the Postal Service.

¹¹ According to Handbook F-21, supervisors may disallow employees time or record the workhours as unauthorized overtime on PS Form 1017-B. This form serves as a permanent cumulative record of unauthorized overtime.

When an employee's clock ring generates overtime, that overtime must be paid unless the time is disallowed. If the time is not disallowed, the supervisor must record the overtime on PS Form 1017-B and take corrective action to prevent future occurrences. Unauthorized overtime is not the result of a timecard adjustment. Without proper documentation addressing the use of unauthorized overtime, there is an increased risk that employees will work unauthorized overtime hours.

Management's Comments

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

Management disagreed with recommendation 1, stating that they provide TACS training to supervisors prior to giving them access to the TACS application. They further stated that prior to the issuance of this report, headquarters management had undertaken an effort to ensure all TACS users have had the appropriate training for their current role. Current users with no record of successful training completion will be required to take the training by December 31, 2018, and management will suspend the account of any user who fails to take the training by this date. Additionally, new users who request access will need to prove they have successfully completed training before gaining access.

Management disagreed with recommendation 2, stating that an oversight process is already in place to ensure supervisors disallow time, delete clock rings, and extend lunches properly. However, management stated they will also use area weekly and yearly trend charts to cascade messaging to the offices to ensure procedures are performed properly.

Regarding recommendation 3, management stated that beginning in Quarter 2, FY 2018, they have been sending disallowed time detail reports to area controllers for review. The report includes significant changes made to EBR clock rings that extend begin and in-from-lunch tours and reduce out-to-lunch and end tours. Management also stated that they issued a TACS System Change Request to build PS Forms 1017-A and 1017-B functionality into the TACS application

to store electronic records of all disallowed time and unauthorized overtime, respectively. A pop-up message will be created indicating the user discussed the occurrence with the employee and, once confirmed, the forms will annotate the user's ACE ID as certification that the employee was notified and populate the comments. The target implementation date is September 30, 2019.

Management further stated they are quantifying and evaluating an effort to build a virtual timecard which will allow all employees to view clock rings and adjustments and identify cases of disallowed time that can be discussed with his/her supervisor prior to payroll processing. However, they have not yet determined the cost/benefit of this plan, therefore, cannot commit to implementing this effort.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendation 3 and their planned action should resolve the issues identified; however, management's comments regarding recommendations 1 and 2 are nonresponsive.

Regarding management's disagreement with recommendation 1, we acknowledge that TACS training is available for supervisors; however, we assessed current TACS training and determined that it does not adequately address the issues we identified. Although TACS training provides requirements for disallowing time, such as completing a PS Form 1017-A, it does not provide

instruction on how to appropriately document deleted clock rings and extended lunches that result in disallowed time. Further, our recommendation was to "improve" training to supervisors; therefore, management's planned action to simply require supervisors to take the existing training does not meet the intent of our recommendation. We view the disagreement on this recommendation as unresolved and plan to pursue it through the formal audit resolution process.

Regarding management's disagreement with recommendation 2, they did not provide any documentation to support the assertion that a formal oversight process is already in place at the district and facility levels to ensure that supervisors disallow time, delete clock rings, and extend lunches properly. During the audit, management stated they did not track these timecard adjustments or receive or produce any related TACS reports. Additionally, management did not provide support to show how the area weekly and yearly trend charts will ensure timecard adjustment procedures are performed properly. We view the disagreement on this recommendation as unresolved and plan to pursue it through the formal audit resolution process.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendation 3 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. Recommendations 1 and 2 will remain open as we coordinate resolution with management.

Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit included timecard adjustments for letter carriers at the following 13 sites in the Greater Boston District that resulted in disallowed time from April 1, 2015, through September 30, 2017.¹² We assessed whether these adjustments were made in accordance with Postal Service policy.

- Allston Station
- Brighton Station
- Brookline Branch
- Central Square Main Post Office
- Chelsea Carrier Annex
- Fort Point Station
- Jamaica Plain Station
- Medford Branch
- Revere Carrier Annex
- Stoneham Branch
- Waltham Branch
- Weston Branch
- Weymouth Branch

Additionally, we reviewed 30 deleted clock rings and 20 extended lunch adjustments that resulted in time removed from employees at the Chelsea Carrier Annex to determine whether timecards were adjusted in accordance with Postal Service policy. We received these examples from NALC officials.

To accomplish our objective, we:

- Reviewed Postal Service policies and guidance to determine the requirements and processes for disallowed time.
- Interviewed union officials and congressional staffers to obtain additional information regarding the congressional request.
- Interviewed Postal Service managers and supervisors to determine causes for issues identified based on our review of time and attendance records.
- Interviewed TACS officials to identify training requirements and system controls over TACS.
- Interviewed Postal Service labor relations specialist and union officials to determine their process for settling grievances with erroneous timecard adjustments.
- Analyzed records of disallowed time in TACS for 13 of the selected sites in the Greater Boston District from April 1, 2015, through September 30, 2017.
- Analyzed 30 deleted clock ring and 20 extended lunch adjustments that resulted in disallowed time at the Chelsea Carrier Annex from TACS.
- Analyzed 209 unauthorized overtime transactions in TACS.
- Reviewed training records for 34 supervisors from the EDW for FY 2007 through FY 2017 to determine if supervisors received TACS training to perform their roles and responsibilities.

We conducted this performance audit from January through August 2018, 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

¹² These sites were identified by congressional staff and NALC union officials.

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 July 9, 2018, and included their comments where appropriate.

We assessed the reliability of TACS data by tracing a sample of data to source documents to determine whether the computer data accurately reflected these documents and reviewing for duplicates and completeness in electronic data files. In addition, we assessed the reliability of training data obtained from EDW by conducting electronic testing of the data and interviewing Postal Service supervisors and managers knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

| Report Title | Objective | Report Number | Final Report Date | Monetary Impact (in millions) |
|------------------------------|--|---------------|-------------------|-------------------------------|
| <i>Delivery Charge Codes</i> | Assess the reliability and accuracy of TACS data for city carrier labor costing. | CP-AR-18-002 | 1/19/2018 | \$3.4 |

Appendix B: Management's Comments



July 24, 2018

RICK POLAND
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Timecard Adjustments at U.S. Postal Service Facilities in the
Greater Boston District (Report Number HR-AR-18-DRAFT)

The Greater Boston District agrees with the findings uncovered during the audit. While we believe a significant number of controls are designed and operating effectively with respect to timecards, we agree that strengthened emphasis must be placed on the required documents to support timecard adjustments.

Monetary Impact:

Management recognizes that there were unsubstantiated adjustments and therefore agrees with the Monetary Impact as calculated by the OIG. Management has taken action to address the specific issues.

Recommendation #1:

The Manager Greater Boston District, improve training to supervisors to include procedures for disallowing time, deleting clock rings and extending lunch times.

Management Response/Action Plan:

The Greater Boston District disagrees with this recommendation as HQ approved TACS training is provided to Management prior to receiving Supervisory access to the TACS Application.

Prior to the issuance of this report, HQ management has undertaken an effort to ensure all TACS users have had the appropriate training for the role they currently have. Current users who have no record of successful training completion will be required to take the training by December 31, 2018. Those users who fail to take the training by December 31 will have their account suspended. New users who request access will need to prove they have successfully completed the training before gaining access.

Completion Date:

December 31, 2018

Responsible Official:

Manager, Accounting Services

Recommendation # 2:

The Manager, Greater Boston District, establish a formal oversight process at the district and facility levels to ensure supervisors disallow time, delete clock rings, and extend lunches properly.

Management Response/Action Plan:

The Greater Boston District disagrees with this recommendation as an oversight process is already in place. However, Management will utilize the Northeast Area weekly and yearly trend charts to cascade messaging to the offices to ensure Management performs procedures properly.

Completion Date:

July 2018

Responsible Officials:

Plant Managers, Post Office Operations Managers, Area Managers
Manager, Finance, Greater Boston District

Recommendation # 3:

The Controller, Vice President, assess the feasibility of using systems controls in the Time and Attendance Collection System (TACS) to ensure supervisors disallow time, delete clock rings, and extend lunch times in accordance with Postal policy. If management deems enhancing TACS controls unfeasible, we recommend designing mitigating controls to prevent supervisors from improperly adjusting timecards.

Management Response/Action Plan:

Management agrees with the recommendation and has implemented a number of activities in FY 2018 and plans additional activities in FY 2019. Beginning within Quarter 2 of FY 2018, management has sent disallowed time detail reports to the Area Controllers for their review. This report includes significant changes made to EBR clock rings that extend begin and in-from-lunch tours and reduce out-to-lunch and end tour hours.

Two additional activities are scheduled for Fiscal Year 2019 to address disallowed time. TACS System Change Request 3516 was issued to build the 1017-A and 1017-B functionality into the TACS application in order to store an electronic record of all disallowed time and unauthorized overtime, respectively. The forms will be pre-populated by the system data based on current disallowed time and unscheduled overtime. A pop-up message will be created indicating the user discussed the occurrence with the employee and once confirmed, the forms will annotate the user's ACE ID in column 8 as certification that the employee was notified as well as populate the comments in column 10. The forms will include the print functionality from the TACS system.

Management is quantifying and evaluating an effort to build a virtual timecard which will allow all employees to view clock rings and clock ring adjustments and identify

cases of disallowed time that can be discussed with his/her supervisor prior to payroll processing. We have not yet determined the cost/benefit of this plan and therefore cannot commit to an implementation of this effort. However, we believe the other efforts mentioned above satisfy the concerns of the OIG.

Target Implementation Date:
September 30, 2019

Responsible Official:
Manager, Accounting Services



Maura A. McDevitt
Vice President
Controller



Michael W. Rakes
District Manager
Greater Boston District

cc: Corporate Audit Response Management
Vice President, Area Operations



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