

**BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001**

Retail Access Optimization Initiative

Docket No. N2011-1

**Responses of National Association of Postmasters of the United States
Witness Curt Artery
To Follow-Up Interrogatories of the U.S. Postal Service
(USPS/NAPUS-T2-12 through 13)**

The National Association of Postmasters of the United States hereby files the responses of witness Curt Artery to the following interrogatories of the United States Postal Service, USPS/NAPUS-T1-12 through 13, filed on October 14 , 2011.

Respectfully submitted,

/s/

Robert M. Levi
Director of Government Relations
National Association of Postmasters of the United States
8 Herbert Street
Alexandria, VA 22305

USPS/NAPUS-T2-12. Your response to USPS/NAPUS-T2-3 refers to discussions with “Postmasters, OICs and supervisors.” For each discussion included in this reference, please identify the participants in each discussion, the location of each discussion, and the date of each discussion. Please provide all documents related to the discussions referenced in your response to USPS/NAPUS-T2-3.

Answer. The discussions with Postmasters, officers-in charge and supervisors took place in 2010 and 2011. The locations were at individual post offices. The Learning Management System training rooms were located in Denver, scheduled group meetings were located throughout the states, and District teleconferences were arranged. I do not have the dates for these trainings, since I had no reason to keep them after the trainings were conducted. I did not collect the names, since it was the responsibility of the participants to report their participation directly to their senior managers. (Following this interrogatory, I have included a sampling of the reference documents that were used.) The Postal manual F101 is the primary manual used as references in these classes. The F101 directly states what a manager must comply with on daily, weekly, monthly, quarterly, and yearly requirements that must be followed to be SOX compliant.

Example of Scheduling Notice of SOX Meeting

From: Artery, Keith C - Guernsey, WY
Sent: Saturday, May 15, 2010 1:18 PM
To: Sims, Gary L - Cheyenne, WY
Cc: Artery, Keith C - Guernsey, WY
Subject: SOX & Webbats training 827 SCF
Gary Please send out to all.

The Schedule for SOX and Webbats training for the 827 SCF is:

Place: Hulett new Library

Dates: May 25th

Times: 9:00 AM - 12:00 SOX training
1:00 PM - 4:00 PM Webbats training

May 26th

9:00 AM - 12:00 SOX training
1:00 PM - 4:00 PM Webbats training

Place: Campbell County Library

Dates: May 27th

Times: 9:00 AM - 12:00 SOX training
1:00 PM - 4:00 PM Webbats training

May 28th

9:00 AM - 12:00 Webbats training
1:00 PM - 4:00 PM SOX training

Who needs to attend:

Postmasters, Supervisor, 1412 clerks for SOX, Webbats clerks for Webbats, and PMR's if the driving distance is acceptable.

Please note for the Gillette training, the days, 27th and 28th, are different to accommodate Gillette clerks.

Yes, it is 6 hours of training and you only need to attend 1 day.

If you have questions please call.

K Curt Artery PM
101 S. Wyoming
Guernsey WY 82214-9998
Phone 307/836/2804
Fax 307/836/3007

Example of SOX Audit Review Results

Colorado/ Wyoming District
SOX Compliance Team



DATE: April 20, 2010

SUBJECT: Financial Review. April 20, 2010 Douglas WY

TO: Kay Chang
Manager, Finance (A)
Colorado/Wyoming District

The SOX Compliance Team is performing Financial Reviews in post offices throughout the Colorado/Wyoming District in an effort to identify SOX Compliance deficiencies and provide these offices with the tools and resources to ensure compliance.

On April 20, 2010, members of the SOX Compliance Team visited the Douglas Post Office to perform a Financial Review. Below are the findings of our recent review:

1. Unit 1412 needs to be signed by 1412 Clerk under where it states "Certified to be correct" This is now being performed correctly after receiving SOX Training.
2. Manager needs to sign Unit 1412 after reviewing the entire Unit 1412 and supporting documentation. This is now being performed correctly after receiving SOX Training.
3. Webbats
 - a. Need to print two reports nightly, verify totals match and file Unit 1412 documentation,
 - i. Activity by Date
 - ii. Receipt by Date
4. Need to verify no entries in 247 or 647 (circle zeros). If entries need 1908 for supporting Documentation
5. PS Form 3533
 - a. 3533 not completely filled out
 - i. Part 1 missing amount and date
 - ii. Part 2 missing amount and date of certifying employee
 - iii. Part 4 missing amount
 - iv. Missing employee's signature and date.
6. Sequentially Omitted Money Orders
 - a. Management and employees are in the process and getting them resolved and removed from the list.
7. Credit Card and Debit Card Unit 1412 printouts
 - a. Must be filed in a secure and separate container (locked) along with CC/DC receipts
 - b. After receiving SOX Training the receipts are not with Unit 1412. This is the correct procedure.

8. Money Orders
 - a. Must verify voided money orders
 - i. If there is one, 1412 clerk verifies the physical money order is there
 - ii. Manager or 1412 close out clerk physically destroys, writes destroyed on "Money Order for Unit" printout
9. PS 3584
 - a. 3584 not completely filled out
 - i. Carrier need to sign with full signatures
 - ii. Clerks need to sign with full signatures
 - b. 3584 needs to be turned in daily, not weekly
 - c. Clearing employee needs to verify it is correct and sign with full signature.
10. PS 3977 needs full signatures and signed in the proper place.
11. Employee's ID Badge needs to be accounted for on PS 1628.
12. 247/647 Log
 - a. Set up log with entries 10/1/2009 thru 4/14/2010.
13. PVI Register Inconsistent
 - a. Need to remove all PVI's from system and reinstall.
 - b. Need to monitor this nightly. Do a. above when error message occurs.
14. PS Form 3806
 - a. Needs to be filled out correctly
 - i. To: and From: needs to have the full addresses
 - ii. Received By needs a full signature
 - iii. Customer declare full value needs to have a \$0.00 entry.
 - b. Needs to be filed with current 1412's supporting documents.
15. Bank slips need a witness signature. This is now being performed correctly after receiving SOX Training.
16. PS Form 3854 needs a full signature, time and round dates.
17. PS Form 3083 needs a full signature.
18. Arrow Key Check out Log needs to be put in place.
19. Arrow Key Log needs to be put in place.

Respectfully,

Cindy Paustian
 Postmaster
 105 Merriam St.
 Fort Laramie WY 82212

Curt Artery
 Postmaster
 101 S WY
 Guernsey WY 82214

CC:

SOX Audit Checklist

SOX Audit Checklist:

Office: _____

Y	N	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1412 & Documentation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Required supporting documents present
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Forms filled out completely (PS 3533, 3083, 3584, 3582)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PVI's PVI Mismatch/Inconsistency warnings present/cleared?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PS Form 3083-if office has Customer accounts for Bulk Mail and/or BRM/PD Manual Offices - Manual 3083
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PostalONE! Offices 3 PS Form 3083 reports-Permit, Periodical, BRM/PD
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Money Orders Voided Money Orders-shredded by Manager, signed as shredded on 1412 Money Order printout?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No Fee Money Orders-Postmaster verified valid use
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Employee items Management monitoring Employee Shortages and Overages?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Webbats Reports Receipt by Date in 1412 Documentation & totals match?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Activity by Date in 1412 Documentation?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Webbats up to date?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Bank Deposit Deposit Slip filled out completely and legibly?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PS Form 3806 Filled out. Requirement for "0.00" in the amount has been dropped in the March 2010 Bank Deposit Preparation Guide.

- 247/647**
247/647 Log Current?
- EDW Report monitored by Postmaster or Manager?
- Balance at ZERO or reasons why not on log?

Security

- Duplicate Keys**
PS Form 3977 dated May 2007 in use? (May 2007 is oldest usable version per PUB 123)
- PS 3977 envelopes properly completed per powerpoint on COMPLY SOX Compliance Webpage?
- PS 3902 in use and properly completed?
- PS 3902 Semi Annual and Annual Verifications completed?
- Building Keys**
PS Form 1629 maintained with all building keys accounted for?
- PS form 1628 completed and signed by all employees with building keys?
- Badges signed for either on Log or on PS 1628?
- Arrow Key Log?

Audit Files

PS Form 3294 present & completely filled out?

Evidence two separate counts were performed?

PS Form 3369 in each audit file, Unit Reserve, Retail, Clerk Credit or Cash Credit, Unit Cash Reserve?

PS Form 571 present if audit + or - \$100.00?

Bait Money Orders

Bait Money Order Management Instructions on file?

Every Clerk accountability have 3 Bait Money Orders?

Latest issue Bait Money Orders only?

Below is an example of closeout checklist (Postal Remediation Unit Tool) that must be completed daily to certify that a post office is in compliance; the SOV does not allocate sufficient time for its completion.

Unit Closeout			
Assess Control Implementation			
Intent	To ensure the accuracy of the unit's Form 1412, Daily Financial Report, deferred liability-related to acceptance in advance of box and caller fees, and preparation of the unit's bank deposit, prior to submission. These controls ensure transactional data has been reviewed and approved as indicated by the signature function of Form 1412 transmittal technology, and signatures on the WebBATS report, and deposit ticket.		
Controls	Implemented	Not Implemented	Not Applicable
<p>#1 Does the close-out employee ensure that all daily financial activity found on the Form 1412 has all required supporting documentation for all receipts and disbursements, supporting documents are completed correctly, and all financial transactions are reported daily?</p> <p>Preliminary and final (individual and unit) Forms 1412 should be verified -- each AIC against required supporting documentation to match the totals and confirm that all support is entirely and properly completed. The close-out employee issues Form 1908, Financial Adjustment Memorandum, when differences are identified, increase or decrease the incorrect AIC and offset the amount to AIC 247 or AIC 647, reviews the money order report, consolidates Individual Forms 1412 and funds remitted, verifies that the bank deposit matches Unit Form 1412, AIC 751 and/or AIC 752, and checks a/c/db terminal reports to AICs 762 and 772. The electronic or manual signature attests to the accuracy of the Form 1412 holding that person responsible, documenting that they have checked all AIC amounts against complete supporting documentation.</p>			
<p>#2 Does the unit reconcile PO Box activity (WebBATS to Form 1412 Box revenue and refund AICs), subsequently filing WebBATS Receipt by Date Report as Form 1412 support?</p> <p>IRT & c/MOVES -- verify Forms 354C, US Receipt for Money or Services, and 3533, Application for Refund of Fees, Products and Withdrawal of Customer Accounts, to AICs 118, 15R, 164, 167, 123, and 535. POS -- Print & review the Post Office Box/Caller Service Report (CIR-4) making any necessary adjustments per F-101, 6-S-3 comparing it to the WebBATS Daily Receipt report which should be signed and filed as support to the unit's Form 1412.</p>			
<p>#3 Are all replacement money orders, AIC 641 supported by a copy of Form 6401, Money Order Inquiry (original mailed)?</p> <p>Replacement money orders issued locally with the customer having presented the original customer receipt and the mutilated or damaged money order, posted to AIC 641, require retaining a copy of the Form 6401 as support to the Form 1412 (For Official Use Only portion and no-fee money order serial number, date, and amount fields completed).</p>			
<p>#4 Are local refunds and miscellaneous payments properly reported, supported, and approved?</p> <p>Form 3533 as support to local refunds should be completed properly (signatures - customer, certifying & witnessing employees, date, amount, request for disbursement action, PV errors attached, customer meter refunds include computations & supervisor and witness signatures) and match Form 1412 entries using the correct AIC. Miscellaneous payment support includes Form 6401 for replacement money orders, customer vouchers of no-fee money orders, and vendor invoices or receipts. Trust refunds require Form 3083, Trust Accounts Receipts and Withdrawals, as support to Trust activity.</p>			
<p>#5 Does the unit confirm Trust activity is accurately recorded?</p> <p>Amounts on Forms 3083, Trust Accounts Receipts and Withdrawals, 3544, and 3533, as applicable, should be compared to Unit Form 1412 corresponding totals to ensure Trust amounts reported on Form 1412 match supporting documentation.</p>			
<p>#6 Is management reconciling the office accountability to AIC 753, if applicable, & 853 to the individual accountabilities totaled?</p> <p>Verify the ending accountability for each category of stamp stock or cash retained/reserve on the Form 3295, Daily Record of Stamps, Stamped Paper and NonPostal Stamps on Hand, plus individual clerk accountabilities on the recap (c/MOVES) or Clerk Balances List (IRT & POS) matches the total on the Unit Form 1412 AIC 853 ending balance. Resolve any discrepancies. Endorse Form 3958, Unit Reserve Stamp Stock Transaction Record, "verified to Form 3295," sign and date the endorsement (c/MOVES) or Initial next to both respective totals (IRT & POS).</p>			
<p>#7 Does the unit ensure the bank deposit is completed correctly and matches Form 1412 entry?</p> <p>Clerks must remain with funds until designated employee verifies them and initials the AIC 751/752 entry on the clerk's Form 1422. Deposits are not made for <\$100 unless it includes a check 5 days old. Computations must be accurate & the total must match the Unit Form 1412 AIC 751 (if applicable) + 752. Deposit tickets are signed by at least the preparer, and if available, a witness. When there is a witness, both preparer and witness make independent counts in the presence of each other staying present through to the deposit being sealed and must ensure the original deposit slip, cash, money orders, checks, and consolidated check list are included in the deposit envelope. The envelope is dispatched via registered mail.</p>			

Observations

Please provide a summary of how the site performed the Unit Closeout process, either highlighting compliance with the controls or noncompliance issues observed.

Root Cause(s) for Control(s) Not Implemented

Please select the reason(s) why the site did not comply with the Unit Closeout controls from the general categories of non-compliance below. Also, provide a detailed explanation of how the root cause was identified, why the issue remained unresolved, and any additional relevant information.

- Lack of Management Oversight and Enforcement
- Knowledge / Training of Site Personnel
- Relief Clerk Inexperienced
- Inappropriate and/or Inadequate Mail Flow
- Inadequate Documentation
- Other, please explain.

Remediation Plan for Control(s) Not Implemented

Please describe the specific steps the site will complete to ensure that the Unit Closeout controls and associated actions are complied with immediately.

USPS/NAPUS-T2-13. Your response to USPS/NAPUS-T2-8 states that you “have conducted SOX audits for the Colorado/Wyoming District and Western Area.” Please identify every SOX audit that you conducted, the date of each audit, and your role in each audit. Please provide all correspondence related to your involvement in each SOX audit.

Answer. I cannot provide every SOX audit I performed, or performed with another team member. I did not retain copies of these audits. The SOX audits were provided to the individual post offices and their senior managers. My role in each audit was to follow the PRU remediation tools, and audit each office accordingly. A copy of the PRU (Postal Remediation Unit) tool is enclosed with the previous interrogatory. Also, at the bottom of the SOX compliance website, on the Colorado/Wyoming Website, you will find my name as one of the references to contact if there were any SOX questions. I assisted in putting this website together and the information. Most of the information, as required, is from the Postal Manual F 101.

Please refer to USPS/NAPUS-T2-12 for requested documentation.