J.T. Weeker (Chicago) International Service Center – International Airmail Records Unit

Audit Report

October 31, 2011

OFFICE OF **INSPECTOR GENERAL**
UNITED STATES POSTAL SERVICE

HIGHLIGHTS

October 31, 2011

J.T. Weeker (Chicago) International Service Center – International Airmail Records Unit

Report Number FT-AR-12-002

IMPACT ON:
International mail records processed at the Chicago International Airmail Records Unit (records unit).

WHY THE OIG DID THE AUDIT:
Our objective was to determine if the records unit processes international mail transactions timely and accurately to ensure that the St. Louis International Accounting Branch can correctly and timely bill the foreign postal administrations.

WHAT THE OIG FOUND:
The J.T. Weeker (Chicago) records unit generally processed international mail transactions timely and accurately. However, system access identifications and passwords were not always properly controlled. Also, the records unit supervisor did not always properly complete weekly verification note audits and records unit clerks did not always submit verification notes in accordance with Postal Service procedures. Further, we found a Chicago records unit clerk did not modify a letter post dispatch record when the records unit later received supporting documentation from the San Francisco International Service Center to support a greater weight for the dispatch.

WHAT THE OIG RECOMMENDED:
We recommended management provide information security training to all Chicago records unit personnel and direct them to immediately change their passwords; provide formal training on a regular basis to all employees, including supervisors, regarding standard operating procedures (SOP) on the proper process for using verification notes; reiterate the requirements for weekly verification note audits and ensure they are conducted in accordance with the SOP; and revise the SOP to require records unit clerks to review and modify previously resolved records, as appropriate, upon the subsequent receipt of supporting documentation.

WHAT MANAGEMENT SAID:
Management agreed with our findings and recommendations. They reiterated password security requirements, began conducting and documenting SOP training, and employees noted in our report changed their passwords. International Accounting began reviewing and providing feedback on weekly audits and will issue a revised SOP in January 2012.

AUDITORS' COMMENTS:
The OIG considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

October 31, 2011

MEMORANDUM FOR: RICHARD G. LOUTSCH
                                MANAGER, INTERNATIONAL ACCOUNTING

                                GERALD J. KUBICK
                                PLANT MANAGER, J.T. WEEKER (CHICAGO)
                                 INTERNATIONAL SERVICE CENTER.

FROM: John E. Cihota
                                Deputy Assistant Inspector General
                                 for Financial Accountability

SUBJECT: Audit Report – J.T. Weeker (Chicago) International Service
                                Center – International Airmail Records Unit
                                (Report Number FT-AR-12-002)

This report presents the results of our audit of the J.T. Weeker (Chicago) International Service Center – International Airmail Records Unit (Project Number 11BM002FT001).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lorie Nelson, director, Financial Reporting, or me at 703-248-2100.

Attachments

cc: Joseph Corbett
       Timothy F. O'Reilly
       Deborah Giannoni-Jackson
       Brent A. Raney
       David E. Williams
       Robin M. Stewart
       Steven R. Phelps
       Corporate Audit and Response Management

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Introduction

This report presents issues pertaining to inbound international mail at the J.T. Weeker (Chicago) International Service Center (ISC) – International Airmail Records Unit (records unit). We identified these issues during our audit of fiscal year (FY) 2011 U.S. Postal Service Financial Statements – St. Louis Information Technology and Accounting Service Center (Project 11BM002FT001). The objective was to determine if the records units process inbound international mail transactions timely and accurately to ensure that the St. Louis International Accounting Branch (accounting branch) can correctly and timely bill foreign postal administrations.[1] This audit was self-initiated and addressed financial risk. See Appendix A for additional information about this audit.

Inbound international mail or dispatch is foreign-originating mail destined for delivery in the U.S. Foreign postal administrations pay the Postal Service for sorting, dispatching, and delivering inbound international mail at ISCs. The Postal Service developed the Global Business System to assist in streamlining the processing of international mail, and it is comprised of the Receipt System, the Dispatch System, and the International Reconciliation System.[2] The International Reconciliation System assesses all records based on a set of validation rules and assigns a validation status (pass or fail) to each record. One reason records may fail the initial validation status is scan data from the Receipts System does not agree to the electronic data interface (EDI) data[3] received from the foreign postal administration. When this occurs, records unit clerks are required to resolve the failed record. Specifically, records unit clerks update the International Reconciliation System records with the most reliable data source within established timelines to complete the validation process. Records unit clerks sometimes use a verification note[4] as a tool in this process.

Conclusion

The J.T. Weeker (Chicago) records unit generally processed international mail transactions timely and accurately to ensure that the St. Louis accounting branch correctly and timely billed the foreign postal administrations. However, Chicago records unit personnel's Advanced Computing Environment (ACE) (logon) identifications (IDs) and passwords were not always properly controlled. When logon IDs and passwords are not controlled, unauthorized persons may gain access to the financial transaction processing functions of application programs or resultant data records, enabling them to

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[1] Posts outside the U.S. where mail is sent and received.
[2] The Receipt System captures the initial scan of international mail at the inbound receiving terminals. The Dispatch System captures the scan of outbound mail. The International Reconciliation System supports records units in completing their work and aids in tracking international mail records, identifying issues, and reconciling discrepancies.
[3] Foreign postal administrations can provide EDI data to the Postal Service before mail arrives at the ISCs. EDI data contains dispatch information, including dispatch date, and is pre-populated into the Receipt System. When receiving unit personnel scan the bar code on mail upon arrival at the ISC, the scan retrieves the EDI data and compares it to the receiving unit data.
[4] These notes are formal messages between postal administrations that relay information regarding the exchange of mail, in particular irregularities in the preparation, dispatch, and receipt of mail.

read, alter, add, or delete information in data files or to enter unauthorized financial transactions for processing.

In addition, records unit personnel did not always perform a complete weekly audit of verification notes and submit verification notes in accordance with Postal Service procedures. Also, we found a records unit clerk did not modify a letter post dispatch record when the unit later received supporting documentation from the San Francisco ISC to support a greater weight for the dispatch. When personnel do not follow established procedures, revenue could be inaccurately recorded, and foreign postal administrations could delay acceptance of the billing and, therefore, delay cash collection.

ACE[5] Logon IDs and Passwords

Chicago records unit personnel's ACE logon IDs and passwords were not always properly controlled. Specifically, ▉▉employees provided their logon IDs and passwords[6] to the supervisor who stored them together in a notebook in an unsecured desk drawer. The ▉▉▉▉▉▉▉▉▉▉▉▉▉▉▉▉▉▉ obtained the IDs and passwords for the 12 employees because of a misunderstanding in direction provided during the installation of the Global Business System software on the employees' workstations. Also, subsequent discussions disclosed that ▉▉had not received information security training.

Postal Service policies state that personnel must protect logon IDs. Also, passwords used to connect to Postal Service information resources must be treated as sensitive information and should not be disclosed to anyone other than the authorized user, including system administrators and technical support staff.[7]

When personnel share logon IDs and passwords, unauthorized persons may gain access to the financial transaction processing functions of application programs or resultant data records, enabling them to read, alter, add, or delete information resident in data files or to enter unauthorized financial transactions for processing.

Verification Notes

Chicago records unit personnel did not always properly complete weekly verification note audits and submit verification notes in accordance with Postal Service procedures. Specifically:

- Although verification notes audits were performed each week as required, for 6 of the 31 weeks reviewed, the ▉▉▉▉▉▉▉▉▉▉▉▉▉▉ did not include the proper

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[5] The enterprise infrastructure that supports the planning, design, implementation, and ongoing management of Postal Service-distributed computing. ACE replaces outdated and incompatible technologies with upgraded, cost-effective, and easy-to-use systems and centralized support.
[6] Through their ACE IDs and passwords, records unit clerks have access to all Global Business System subsystems, including the Receipt System, International Reconciliation System, and Dispatch System.
[7] Handbook AS-805, *Information Security Services*, dated May 2011, Chapter 9, Sections 5 and 6.

number or mix of inbound and outbound records. For example, for 1 week, the ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ only completed three verification note audits (six are required), all for inbound mail (three inbound and three outbound records are required when they exist).[8]

- Of the 120 international inbound billing records[9] we traced to supporting documentation and/or data, we found records unit clerks did not submit verification notes to the foreign postal administrations for five Express Mail® and two Parcel Post® records.[10]

- Of the 25 supporting documents we traced to billing records,[11] we found one instance where the records unit clerk did not submit a verification note to the foreign postal administration for a letter post mail dispatch.

Postal Service procedures[12] require records unit clerks to submit verification notes to the foreign postal administration when conflicts that exist between electronic data from the Receipt System and EDI data exceed a stated threshold and the records unit does not have source documentation. For Express Mail and Parcel Post mail, verification notes are used to request supporting documentation or to notify the foreign postal administrations of the electronic data (Receipt System or EDI) used for billing in the absence of supporting documentation from the foreign postal administration. For letter post mail, verification notes are used to notify foreign postal administrations of the electronic data (Receipt System) used for billing in the absence of supporting documentation from the foreign postal administration. Postal Service procedures and a key Sarbanes-Oxley (SOX) control[13] require the records unit supervisor to audit six verification notes, on a weekly basis, to verify the accuracy and timeliness of the verification notes.

According to the ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ did not always properly complete verification note audits due to an oversight. In addition, management did not monitor her performance of these audits. Also, she stated that records unit clerks did not always submit verification notes because procedures were constantly changing, so they did not always fully understand them.

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[8] The ▮▮▮▮▮▮▮▮▮▮▮ did include other required aspects of the weekly verification note audit, such as selecting different classes of mail, originating and destination countries, and records unit clerks who completed the notes.

[9] The sample consisted of 60 international inbound records from both the Chicago and San Francisco ISCs. Effective April 2010, the Chicago records unit became responsible for validating the mail records for both the Chicago and the San Francisco ISCs.

[10] Express Mail and Parcel Post are trademarks of the Postal Service.

[11] We judgmentally sampled and tested these items for completeness. Assertions about completeness deal with whether assets or liabilities that should be in the financial statements are included.

[12] *International Airmail Records Unit Standard Operating Procedures*, effective August 4, 2010, Section 6.3.

[13] *International Air Mail Records Unit Standard Operating Procedures*, Section 16.1, and Postal Service SOX key control number 114.CA010. A key control is a control that, if it fails, there is at least a reasonable likelihood that a material error in the financial statements would not be prevented or detected on a timely basis. This key control addresses completeness and existence. Assertions about completeness deal with whether assets or liabilities that should be in the financial statements are included. Assertions about existence deal with whether assets or liabilities exist at a given date.

When verification notes are not properly submitted, there is risk the foreign postal administration could delay its acceptance of the billing and, therefore, delay revenue receipt for the Postal Service. Also, weekly audits of verification notes are important to ensure communication to foreign postal administrations is adequate and that the accounting branch has the evidence needed to support the billing settlement process. Further, without adequate monitoring controls, records unit supervisors miss opportunities to address errors in inbound mail data that could cause inaccurate recording of revenue, delay the foreign postal administration's acceptance of the billing, and delay cash collection.

Management advised that, starting in July 2011, Headquarters International Accounting began monitoring weekly verification note audits to ensure records unit supervisors conduct them in accordance with Postal Service procedures. In addition, the Chicago ███████████████████ counseled ███████████████████████ regarding proper application of procedures for issuing verification notes.

Supporting Documentation Received After Record Resolution

We found a ███████████████████████ did not revise a failed letter post dispatch record when the unit later received supporting documentation from the San Francisco ISC to support a greater weight for the dispatch.[14] This occurred because the current SOP does not require records unit clerks to revisit failed records after they have been resolved, except upon the foreign postal administration's response to a verification note.

Effective April 2010, the Chicago records unit became responsible for validating the mail records for both the Chicago and the San Francisco ISCs. With this change, personnel at the San Francisco ISC must mail supporting documentation from the foreign postal administrations to the Chicago ISC. However, Chicago records unit personnel may not always receive this supporting documentation in time to resolve failed records, and procedures have not been updated to allow for considering information received subsequent to failed record resolution. As a result, the subject dispatch contained incorrect weight data, and the accounting branch underbilled the Vanuatu Foreign Postal Administration by approximately $328.

As a result of our audit, ███████████████████████ revised the dispatch weight in the International Reconciliation System, and on June 23, 2011, the St. Louis International Accounting Branch sent a supplemental bill to the Vanuatu Foreign Postal Administration for the underbilled amount.

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[14] This is the same instance where ███████ did not send a verification note for a letter post mail dispatch.

Recommendations

We recommend the plant manager, J.T. Weeker (Chicago) International Service Center:

1. Train all Chicago International Airmail Records Unit personnel with access to the Postal Service's information systems on information security policies.

2. Direct all employees at the Chicago International Airmail Records Unit to immediately change their passwords per Postal Service policy.

3. Provide formal training on a regular basis to all Chicago International Airmail Records Unit employees, including supervisors, regarding standard operating procedures on the proper process for using verification notes.

4. Reiterate the requirements for weekly verification note audits and ensure they are conducted in accordance with standard operating procedures.

We recommend the manager, International Accounting:

5. Revise the International Airmail Records Unit Standard Operating Procedures to require clerks to review and modify previously resolved records, as appropriate, upon the subsequent receipt of supporting documentation.

Management's Comments

Management agreed with our findings and recommendations and issued a *Direct Line* notice to all Chicago ISC employees on September 12, 2011, emphasizing the need for password security. Subsequent to the receipt of the response, management informed us that the noted employees that disclosed their passwords to their supervisor subsequently changed their passwords. Management also initiated ongoing, bi-weekly SOP training and will document the training monthly. In addition, management will conduct and document weekly audits of verification notes, with International Accounting reviewing and providing feedback on the audits. These corrective actions began September 2011. Finally, International Accounting management agreed to revise procedures to require records unit clerks to review and modify previously resolved records as part of a comprehensive SOP update planned for release in January 2012. See Appendix C for management's comments in their entirety.

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

Appendix A: Additional Information

Background

Inbound international mail or dispatch is foreign-originating mail destined for delivery in the U.S. Foreign postal administrations pay the Postal Service for sorting and dispatching inbound international mail at the ISCs. Currently, six ISCs in New York, Miami, Chicago, Los Angeles, San Francisco, and Honolulu, as well as the New Jersey Network Distribution Center (NDC), process international mail. In FY 2010, revenue for international inbound mail was approximately $352 million.

The Postal Service developed the Global Business System to assist in streamlining the processing of international mail. The overall framework of the system is comprised of the Receipt System, the Dispatch System, and the International Reconciliation System.

- The Receipt System captures the initial scan of international mail at the inbound receiving terminals.

- The Dispatch System captures the scan of outbound mail.

- The International Reconciliation System supports the records unit in completing its work by tracking international mail records, identifying issues, and reconciling discrepancies.

A mail dispatch may contain more than one receptacle,[15] and each receptacle has an attached label generated by the country of origin. When inbound international mail arrives at an ISC, the airline provides it to the receiving unit where ISC personnel scan the label through the Receipt System to capture receptacle information. ISC personnel collect the billing documents[16] attached to or enclosed with the receptacles and provide them to the appropriate records unit personnel.

Currently, five records units in Chicago, Los Angeles, New York, Honolulu, and New Jersey validate mail records for the six ISCs and the one NDC[17] before the data is transmitted from the International Reconciliation System to the Foreign Post Settlement System and, subsequently, to the St. Louis International Accounting Branch for billing the appropriate foreign postal administrations. The major responsibility of records unit clerks is to resolve failed dispatch records[18] in the International Reconciliation System.

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[15] Receptacles include trays, sacks, and boxes that usually contain more than one piece of mail.
[16] Billing documents include CN31 – Letter Bills, CP86 or CP87 – Parcel Bills, Express Mail manifests, and others. They come from the country of origin.
[17] The Chicago records unit is responsible for the records of the Chicago ISC and the San Francisco ISC. The Los Angeles records unit is responsible for the records of the Los Angeles ISC and the Miami ISC. The other three records units are responsible for the corresponding city ISC/NDC.
[18] Records that failed validation checks and must be corrected by the records unit so the accounting branch can bill the foreign postal administration accurately.

The International Reconciliation System assesses all of the records based on a set of validation rules and assigns a validation status (pass or fail) to each record. One reason records may fail the initial validation status is because the scan data from the Receipts System does not agree with the EDI data received from the foreign postal administration. When this occurs, records unit clerks are required to update International Reconciliation System records within established timeframes, with the most reliable data source, to complete the validation process. Records unit clerks sometimes use verification notes as a tool in this process. Records unit supervisors are responsible for monitoring the resolution of failed records, tracking verification notes,[19] and performing audits of verification notes.[20]

Inbound international mail, the focus of this audit, is billed by dispatch. Letter post dispatches are billed based on dispatch weight and the weight and piece count of any additional letter post category, such as International Business Reply Service and Registered Mail™.[21] Parcel Post and Express Mail dispatches are billed based on dispatch weight and piece count.

Objective, Scope, and Methodology

The objective of this portion of the audit is to determine if records units process international mail transactions timely and accurately to ensure that the St. Louis International Accounting Branch can correctly and timely bill foreign postal administrations. This report addresses work performed at the Chicago records unit.

To accomplish our objective, we traced billing data residing in the Foreign Post Settlement System to inbound international letter post, Parcel Post, and Express Mail source documents; verification notes; and/or International Reconciliation System data. Since records unit clerks are not required to resolve failed records for exclusion countries[22] and other special case exceptions,[23] we excluded them from our universe. We randomly selected samples of 60 dispatch records each for the Chicago ISC and the San Francisco ISC. The universe of transactions for all mail types was from October 1, 2010, through March 31, 2011. See Appendix B for our statistical sampling of the three types of mail.

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[19] To track verification notes, records unit supervisors complete Verification Note Volume Reports weekly. They must indicate the number of verification notes that are outstanding according to the age of the verification note. The goal is to reduce to zero the number of verification notes that are over 30 days old.

[20] On a weekly basis, the records unit supervisor audits six verification notes of adjusted mail data to verify the accuracy and timeliness of verification notes created and responded to in accordance with Universal Postal Union and Postal Service policy.

[21] Registered Mail is a trademark of the Postal Service.

[22] Exclusion countries, currently over 70 of them, agree to settle some of their mail types, if not all, using EDI messaging and, therefore, manual adjustments by the records unit are not necessary.

[23] Special case exceptions for failed records include the Netherlands and Canada for all mail subclasses, China for Express Mail, and all inbound international direct entry records. Inbound international direct entry is an international mail service in which a foreign-based customer pays postage to his or her home postal administration for dispatch and entry into the Postal Service domestic system. Items are prepared in accordance with Postal Service domestic requirements and bear Postal Service postal markings and a U.S. return address.

In addition, we judgmentally selected 25 source documents on site at the Chicago records unit from the Chicago ISC and the San Francisco ISC data combined, with dispatch dates between October 1, 2010, and March 31, 2011. We traced these source documents to billing data.

Further, we reviewed all weekly verification note audits and all Parcel Post failed records for the same timeframe for compliance with procedures. We also observed the time-out feature[24] of the Receipt System at the ISC.

We conducted this audit from April through October 2011 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on September 9, 2011, and included their comments where appropriate.

We relied on computer-generated data from the Global Business System and the Foreign Post Settlement System to develop our findings. We assessed the reliability of the data on these applications by tracing selected information on inbound international mail volumes to supporting source documents, verification notes, and/or other system data. We determined that the data was sufficiently reliable for the purposes of this report.

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[24] A "time-out" feature provides protection if the computer is unattended and the user has not logged out from the system. After a period of time of not being used, the system will end or time-out and prompt the user for a password for re-entry.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact	Report Results
Miami ISC – Inbound International Mail	FT-AR-08-012	9/3/2008	$2,084,620	We determined that manually entered dispatches for inbound international Express Mail were not always billed to foreign postal administrations. This issue affected Express Mail data from the Miami and Chicago ISCs only after the Receipt Application was implemented, but before the International Reconciliation System was implemented on February 1, 2008. Therefore, this issue did not affect future billing periods. Because management took corrective action we did not make any recommendations.
Los Angeles International Service Center – Inbound International Mail	FT-AR-10-001	10/13/2009	$163,000	We determined that volume data used to bill foreign postal administrations for inbound international letter post, Parcel Post, and Express Mail service was not always accurate and properly supported. Management agreed to our recommendations to finalize and communicate procedures for international records unit personnel to follow when validating dispatches and to expedite approved system change requests to enable the International Reconciliation System to reconcile data and provide valid dispatch level data for billing.
Fiscal Year 2010 Postal Service Financial Statements Audit – St. Louis Information Technology & Accounting Service Center	FT-AR-11-009	3/31/2011	$0.00	The Chicago records unit supervisor did not review inbound verification notes created by records unit clerks. Because of the corrective action taken, we made no recommendations.

Appendix B: Statistical Sampling for Inbound International Mail at the Chicago IAMRU

The overall objective of the audit was to determine if the Chicago records unit processes international mail transactions timely and accurately to ensure that the St. Louis International Accounting Branch can correctly and timely bill the foreign postal administration. In support of this objective, we employed a simple random sample for each ISC.

We selected three of the five records units based on mail volume. The three records units selected (Chicago, Los Angeles, and New York) handled approximately 90 percent of the inbound mail data in Quarters 1 and 2 of FY 2011.[25]

The audit universe consisted of 11,987 inbound international mail records processed at the Chicago records unit — 8,567 records for the San Francisco ISC and 3,420 records for the Chicago ISC for the period October 1, 2010, through March 31, 2011. We used unrestricted random sampling of records for each ISC. We based our sample sizes, 60 records for each ISC, on simple random hypothesis testing which is a type of simple random attribute sampling.

The Chicago records unit consisted of the following universe of inbound data:

ISC	Total Records	Parcel Post	Express Mail Service	Empty Receptacles	Letter Post
San Francisco	8,567	1,225	2,092	0	5,250
Chicago	3,420	197	1,136	10	2,077
Totals	**11,987**	**1,422**	**3,228**	**10**	**7,327**

We randomly selected samples of 60 dispatch records for both the Chicago and the San Francisco ISCs as follows:

ISC	Sample Size	Parcel Post	Express Mail Service	Empty Receptacles	Letter Post
San Francisco	60	13	15	0	32
Chicago	60	3	23	0	34
Totals	**120**	**16**	**38**	**0**	**66**

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[25] This report focuses on the Chicago ISC.

Appendix C: Management's Comments

UNITED STATES
POSTAL SERVICE

October 14, 2011

Shirian B. Holland
Acting Director, Audit Operations

Sent via: audittracking@uspsoig.gov

SUBJECT: Draft Audit Report – J.T. Weeker (Chicago) International
Service Center – International Airmail Records Unit
(Report Number FT-AR-11-DRAFT)

International Accounting agrees with the general findings and observations provided
in the audit report on the J.T. Weeker International Service Center – International
Airmail Records Unit (IAMRU).

No monetary impact was cited in the report.

Recommendation 1
Train all Chicago International Airmail Records Unit personnel with access to the
Postal Service's information systems on information security policies.

Management Response
Management agrees with the recommendation. A Direct Line notice was sent to all
J.T. Weeker employees emphasizing the need for password security. (See
attachment)

Target Implementation Date
September 12, 2011.

Responsible Official
Gerald J. Kubick, Plant Manager, J.T. Weeker (Chicago) International Service
Center

Recommendation 2
Direct all employees at the Chicago International Airmail Records Unit to
immediately change their passwords and henceforth per Postal Service policy.

Management Response
Management agrees with the recommendation. A Direct Line notice was sent to all
J.T. Weeker employees emphasizing the need for password security. (See
attachment)

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Target Implementation Date
September 12, 2011.

Responsible Official
Gerald J. Kubick, Plant Manager, J.T. Weeker (Chicago) International Service
Center

Recommendation 3
Provide formal training on a regular basis to all Chicago International Airmail
Records Unit employees, including supervisors, regarding standard operating
procedures on the proper process for using verification notes.

Management Response
Management agrees with the recommendation. Nancy Horan, Supervisor,
International Airmail Records Unit, will provide ongoing (SOP) training and document
monthly.

Target Implementation Date
September 22, 2010 (ongoing every 2 weeks)

Responsible Official
Gerald J. Kubick, Plant Manager, J.T. Weeker (Chicago) International Service
Center

Recommendation 4
Reiterate the requirements for weekly verification note audits and ensure they are
conducted in accordance with standard operating procedures.

Management Response
Management agrees with the recommendation. Weekly audits will be conducted
and documented (see attached samples). In addition, weekly VN audits are
reviewed by International Accounting and feedback is provided via email. (See
attachment)

Target Implementation Date
September 21, 2011

Responsible Official
Gerald J. Kubick, Plant Manager, J.T. Weeker (Chicago) International Service
Center

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Recommendation 5

Revise the International Airmail Records Unit Standard Operating Procedures to require clerks to review and modify previously resolved records, as appropriate, upon the subsequent receipt of supporting documentation.

Management Response

Management agrees with the recommendation and will revise the IAMRU SOP as part of a comprehensive update planned for release in early 2012.

Target Implementation Date

January, 2012

Responsible Official

Richard G. Loutsch, Manager, International Accounting

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

Please address any questions on the plant manager recommendations to Jerry Kubick at 773-894-9200, and contact Richard Loutsch at 202-268-3774.

Sincerely,

Gerald J. Kubick, Plant Manager,
J.T. Weeker (Chicago) International Service Center

Richard G. Loutsch
Manager, International Accounting

cc: Joseph Corbett
        Timothy F. O'Reilly
        Giselle E. Valera

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Robin M. Stewart
Gerald Kubick
Mary J. Mahnke
Deborah Giannoni-Jackson
Steven R. Phelps
Ms. Sally K. Haring sent via: CARManager@usps.gov

PLANT MANAGER
J. T. WEEKER / CHICAGO INTERNATIONAL SERVICE CENTER

UNITED STATES
POSTAL SERVICE

September 20, 2011

PATRICIA M. LAVERDET

SUBJECT: Response to Report Number FT-AR-11

This is in response to audit conducted at the Chicago International Service Center, International Airmail Records Unit (IAMRU). I am specifically responding to the September 2011 Report Number FT-AR-11-DRAFT Recommendations.

Recommendations

1. Reiterate information security policies to all Chicago International Airmail Records Unit personnel having access to the Postal Service's information systems.
   Reply – See Attached Direct Line dated September 12, 2011.

2. Direct all employees at the Chicago International Airmail Records Unit to immediately change their passwords and henceforth per Postal Service policy.
   Reply – See Attached Direct Line dated September 12, 2011.

3. Provide formal training on a regular basis to all Chicago International Airmail Records Unit employees, including supervisors, regarding standard operating procedures.
   Reply - Nancy Horan will provide ongoing (SOP) training and document monthly.

4. Revise the International Airmail Records Unit (IAMRU) Standard Operating Procedures to require monitoring of the weekly audit of verification notes performed by the IAMRU supervisors, and communicate the change to all Chicago IAMRU personnel.
   Reply – Weekly audits will be conducted and documented (see attached samples).

5. Revise the International Airmail Records Unit Standard Operating Procedures to require clerks to review and modify previously resolved records, as appropriate, upon the subsequent receipt of supporting documentation.
   Reply – Headquarters is responsible for SOPs.

Any questions feel free to contact Jerry Kubick at (773) 894-9200.
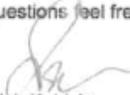
Gerald J. Kubick
Plant Manager

Attachments

11600 W. IRVING PARK RD
CHICAGO IL 60888-9996
7738949200
Fax: 7738949005

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PLANT MANAGER
J. T. WEEKER / CHICAGO INTERNATIONAL SERVICE CENTER

UNITED STATES
POSTAL SERVICE

September 12, 2011

DIRECT LINE

From the Plant Manager, J.T. Weeker / Chicago ISC

ALL JT WEEKER / CHICAGO ISC EMPLOYEES

SUBJECT: PASSWORD SECURITY

All Employees using ACE ID Computers with a Password **MUST** insure that their Passwords are Secure.

DO NOT GIVE OUT YOUR PASSWORD TO ANYONE NO MATTER WHAT AUTHORITY LEVEL THEY MAY HAVE.

This is your personal PASSWORD and you are responsible for its usage, and if it's used inappropriately. So PROTECT IT!

DO NOT LEAVE YOUR PASSWORD UNSECURED!

DO NOT GIVE YOUR PASSWORD TO ANYONE!
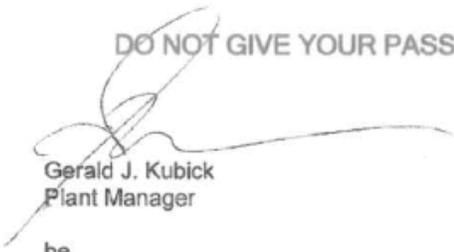
Gerald J. Kubick
Plant Manager

be

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7738949200
FAX: 7738949005

Kubick, Gerald J - Chicago, IL

From:	Horan, Nancy J - Chicago, IL
Sent:	Monday, September 19, 2011 12:56 PM
To:	Kubick, Gerald J - Chicago, IL
Subject:	RE: Audit Log

Importance: High

Attachments: Mr. kubick audit.pdf; Mr. Kubick audits b.pdf

Mr. Kubick,
Here is a copy of my audit log. If you
need a hard copy let me know.

Nancy J. Horan
IAMRU Supervisor
J.T. Weeker ISC/ORD
773-894-9030

Mr. kubick audit.pdf
(68 KB)

Mr. Kubick audits
b.pdf (109 K...

1

Routing Slip

To	Dept., Office or Room No.		
1. Mr. Gerald Kubick		___ Approval	
2. Plant Manager J.T. Weeker ISC	ISC	___ Signature	
3.	ISC	___ Comment	
4.	Plant Manager	___ See Me	
5.	Inplant	✓ As Requested	
6.	Transportation	✓ Information	

___ Read and Return
___ Read and File
___ Necessary Action
___ Investigate
___ Recommendation
___ Prepare Reply

From: Nancy J. Horan
  Supervisor IAMRU

Extension
9030

Room No

Date: 09/19/2011

Remarks

Here is the copy of the Log Sheet that I keep in conjunction to the Blue Share Weekly Audits that I do.

The note section changes weekly depending on the events that take place in the unit.

Item 0-13, August 1976

FF 1.1

September 21, 2011
Wednesday

September 2011
S M T W T F S
1 2 3
4 5 6 7 8 9 10
11 12 13 14 15 16 17
18 19 20 21 22 23 24
25 26 27 28 29 30

October 2011
S M T W T F S
1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29
30 31

Outbound Audits

7 am Parcel — S. Heaton India
(missent)

8 00 Letter — S. Heaton Japan
(missent)

9 00 EMS — S. Heaton Australia
(missent)

10 00

11 00

12 pm FW: IEMRU (HQ NETMEETING)

Inbound Audits

1 00 Letter Bill. L. Avery—Winston Japan

2 00 Parcel Bill — L. Avery-Winston Japan

3 00 EMS — M. Heaton France

4 00 We will hold access to

5 00 Rich Scan due to missing
documents CN 31 /CP87

6 00

TaskPad

☑ TaskPad

Notes

David in S/L
FMLA
for 6/8 — weeks

And to use some
country as last
week = France
because that was
the only failed
record the person
whose turn it was for

EMS

Horan, Nancy J - Chicago, IL   1   6/7/2011 5:12 PM

September 21, 2011
Wednesday

September 2011								October 2011						
S	M	T	W	T	F	S		S	M	T	W	T	F	S
				1	2	3								1
4	5	6	7	8	9	10		2	3	4	5	6	7	8
11	12	13	14	15	16	17		9	10	11	12	13	14	15
18	19	20	21	22	23	24		16	17	18	19	20	21	22
25	26	27	28	29	30			23	24	25	26	27	28	29
								30	31					

Outbound Audits

7 am

8 00

9 00

10 00

11 00

12 pm   (HQ NETMEETING)   (Meeting Place)

1 00   *Inbound Audits*

2 00

3 00

4 00

5 00

6 00

TaskPad

☑ TaskPad

Notes

Horan, Nancy J - Chicago, IL   1   9/19/2011 1:26 PM

Laverdet, Patricia M - Washington, DC

From:	Natasha F Beydoun [nfbeydou@us.ibm.com]
Sent:	Wednesday, September 21, 2011 3:55 PM
To:	Horan, Nancy J - Chicago, IL
Cc:	Archilla, Jose - Washington, DC; Laverdet, Patricia M - Washington, DC

Subject: ORD Weekly VN Audit 09-21-2011

Nancy,

In reviewing the VN Weekly Audit on the Blueshare website, I noticed that there is an invalid mail class listed due to the Dispatch ID being entered incorrectly. Can you please verify the Dispatch ID for the following entry on 9/20/2011 to ensure that the mail class appears correctly within the log? Please let me know if you have any questions. Thank you.

ISC	Audit Date	VN Stamped Date	Dispatch ID	VN #	Clerk Name	Org.Cou
ORD	9/20/2011	9/16/2011	USSFOARBUEBACN103844	14152	SANDRA HENTON	US

Best regards,

Natasha F. Beydoun
IBM Global Business Services
E-Mail: nfbeydou@us.ibm.com
Mobile: 917-692-9473

9/29/2011