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B-212370 November 15, 1983

Number: B-212370

Date: 1983-11-15

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The Honorable Carroll A. Campbell, Jr. Member, United States House of Representative Greenville District Office P.O. Box 10183 Greenville, South Carolina 26903

Dear Mr. Campbell:

This is in response to your letter of June 27, 1983, in which you asked us to respond to a question from your constituent, Mr. Truman Wiliiams. Mr. Williams, a postal employee, is concerned with the United States Postal Service (USPS) policies with regard to overages and shortages in an employee's account.

According to the documents you furnished, current USPS procedure is to account separately for overages and shortages that occur in an employee's account. Overages are placed in a trust fund in the employee's name for 1 year; shortages in the employee's account that can be related to an overage can be adjusted from this fund. However, the employee is responsible for making up any unrelated shortage, even though money may be in the individual's trust account. At the end of the audit year monies in the individual trust funds are placed in the Miscellaneous Non-postal Revenue Account.

Mr. Williams paid shortages of $423.88 for the period November 1975 through April 1981 while at the same time his unrelated overages equalled $600.22. Arguing that overages and shortages are always related, Mr. Williams contends that if he is required to reimburse shortages, he should also be entitled to claim overages.

According to the information you provided, the Postal Service has responded to Mr. Williams by explaining to him that he is not entitled to offset shortages from unrelated overages. USPS suggested that any further appeal should be through Postal Service grievance procedures. The Postal Reorganization Act, Public Law 91-375, approved August 12, 1970, creating the Postal Service, gave USPS authority to settle and compromise claims against it. 39 U.S.C. Sec. 401(8)(1976). Although the Comptroller General is authorized to audit the "accounts and operations of the Postal Service," 39 U.S.C. Sec. 2008(a), this Office does not have settlement authority over its accounts. B-193424, November 27, 1978. Therefore, we do not have jurisdiction to settle Mr. Williams' claim nor to render a binding decision to the Postal Service. Any further appeal should be pursuant to the course outlined by the Postal Service. Earlier decisions suggesting the contrary, such as those Mr. Williams included in his package to you, pre-date the jurisdictional changes made by the Postal Reorganizatopn Act.

We regret that we cannot be more helpful to Mr. Williams. However, for your information, we are enclosing our decision in a case raising a similar issue. In B-199447, March 17, 1981, we were asked to examine the Department of the Treasury's proposal to net cashier overages and shortages on a quarterly basis. We felt that such a system would weakeninternal controls and lead to abuse and should not be adopted. It is our belief that accounting for shortages and overages separately provides a desirable internal control as well as an indication of job performance for both management and the employee. The Postal Service's policy in this area therefore appear consistent with our advice to the Treasury Department.

We hope that this reply is of assistance to you. Finally, we note that since we did not have jurisdiction to respond directly to Mr. Williams's claim, we did not solicit the views of the Postal Service on this matter.

Sincerely Yours,

Acting Comptroller General of the United States

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