September 29, 2000

KENNETH C. WEAVER
CHIEF POSTAL INSPECTOR

SUBJECT: Audit Report – Inspection Service Awards Program for Law Enforcement Employees (Report Number OV-AR-00-003)

This report presents the results of our audit of the Inspection Service awards program (Project Number 00CA003OV000). Our overall objective was to evaluate the management and operation of the Inspection Service awards program. Specifically, we determined whether the awards program was appropriately utilized and implemented in a consistent, effective, and efficient manner for law enforcement employees.

The audit revealed the Inspection Service awards program for law enforcement employees was fairly administered. However, several improvements could be made to the program. Management provided comments to the report and agreed with our recommendations. Management's comments and our evaluation of their comments are included in the report.

We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions or need additional information, please contact Cathleen Berrick, director, Oversight, or me at (703) 248-2300.

Debra D. Pettitt
Acting Assistant Inspector General
for Oversight and Business Evaluations

cc: James K. Belz
John R. Gunnels

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EXECUTIVE SUMMARY

Introduction	This report presents the results of our audit of the Inspection Service awards program. Our overall objective was to evaluate the management and operation of the Inspection Service awards program. Specifically, we determined whether the awards program was appropriately utilized and implemented in a consistent, effective, and efficient manner for law enforcement employees.
Results in Brief	The audit revealed the Inspection Service awards program for law enforcement employees was fairly administered. However, several improvements could be made to the Inspection Service awards program. Specifically, the types of actions used to justify cash awards were not consistent throughout Inspection Service divisions, and some cash award justifications did not explicitly identify the purpose for the award. Further, inconsistencies existed in the approval levels for cash awards when compared to awards programs at the federal law enforcement agencies surveyed. In addition, we could not determine whether cash equivalent and noncash tangible awards valued over $50 were reported to the Internal Revenue Service as required. Finally, while reviewing cash equivalent and noncash tangible award documentation, we identified that purchases for personal items were made through the Postal Service procurement system. As a result, there is an increased risk that the Inspection Service awards program may be perceived as unfair or not appropriately utilized and implemented.
Summary of Recommendations	We recommend the chief postal inspector modify existing awards policy to identify actions that may warrant awards and require that awards justifications identify the specific reasons for the award. We further recommend the chief postal inspector evaluate approval levels for inspector cash awards to determine if they are appropriate and support the objectives of the awards program; establish management controls to ensure that informal awards are reported to the Internal Revenue Service as required; and establish or modify existing management controls to ensure that only official purchases are made through the Postal Service procurement system.

Summary of Management's Comments	The deputy chief inspector, Professional Standards and Resource Development, provided comments to the report. The deputy chief inspector agreed with the recommendations and identified the following corrective actions. • The office of Professional Standards and Resource Development will draft, and offer for policy augmentation consideration, general language identifying the type of actions that may warrant awards and requiring that justifications identify the specific reasons for the award. • The Inspection Service will evaluate the approval levels for inspector cash awards to determine if they are appropriate and support the awards program. • The Inspection Service will establish management instructions/controls to ensure that all cash and noncash tangible awards are reported as income to the Internal Revenue Service as required. • The Inspection Service will modify or issue new instructions to ensure that only official purchases are made through the Postal Service procurement process. Management's comments, in their entirety, are included in Appendix G of this report.
Overall Evaluation of Management's Comments	Management's comments are responsive to the recommendations and the actions, taken or planned, address the issues discussed in the report.

INTRODUCTION

Background

The Inspection Service awards program for law enforcement employees is designed to recognize various levels of noteworthy and individual performance. The program consists of cash and informal awards.

Cash awards are payments of up to $10,000 designed to acknowledge and reward superior individual or group achievement. Inspectors in charge can approve cash awards of $5,000 or less. The deputy chief inspector for administration can approve cash awards between $5,001 and $10,000.[1]

Informal awards consist of cash equivalent awards, noncash tangible awards, and letters/certificates of appreciation that are valued at less than $100. Cash equivalent awards include dinner certificates, coupons, tickets to shows or events, and other similar items. Noncash tangible awards include coffee mugs, shirts, pens, and other items that cannot be converted to cash. Letters/Certificates of appreciation include plaques and badge encasement for retiring inspectors. Immediate supervisors can approve informal awards.

The Inspection Service Memorandum, "Inspector Pay and Compensation," dated July 1, 1998, and updated on February 2, 1999, and December 15, 1999, governs the Inspection Service awards program for law enforcement employees. Specifically, the memorandums identify program guidelines, types of awards, approval levels for awards, and award budgets by division and operating unit.

Awards Budget

The Inspection Service fiscal year (FY) awards budget for law enforcement personnel is calculated as 1 percent of the base salaries, plus locality pay, of all eligible law enforcement employees. Inspection Service FY 1999 awards funding,

[1] The Inspection Service awards program for law enforcement employees, approved by the Board of Governors in June 1998, required that the chief postal inspector approve awards between $5,001 and $10,000. Inspection Service management modified the awards policy on February 2, 1999, to authorize the deputy chief inspector for administration to approve awards between $5,001 and $10,000. Inspection Service management further modified the awards policy on December 15, 1999, to require, once again, that the chief postal inspector approve awards between $5,001 and $10,000.

broken out by law enforcement employees, executive and administrative schedule employees, and postal police officers, is identified below:

Employee Designation	Budget	Percent of Total
Law Enforcement	$1,509,000	76%
Executive and Administrative Schedule	$420,881	21%
Postal Police Officers	$54,460	3%

Objective, Scope and Methodology

Our overall objective was to evaluate the management and operation of the Inspection Service awards program. Specifically, we determined if the awards program was appropriately utilized and implemented in a consistent, effective, and efficient manner. In evaluating the program, we focused on law enforcement employees who were allocated 76 percent of the Inspection Service awards budget.

To accomplish our objectives, we selected a statistical sample of law enforcement employees who received cash awards during FY 1999 for review. We reviewed cash award justifications to determine if proper approvals were obtained and if justifications provided adequate support for the award. We also reviewed demographic profiles of cash award recipients to determine if award recipients reflected the general division population. We randomly selected and reviewed 1,469 (46 percent) of 3,159 inspector personnel files to determine if inspectors undergoing disciplinary reviews also received awards. We also reviewed cash equivalent and noncash tangible award documentation to determine if awards were purchased with awards funds and were reported as income to the Internal Revenue Service as required.

We compared the Inspection Service awards program for law enforcement employees with awards programs at the Federal Bureau of Investigation; Secret Service; and the Bureau of Alcohol, Tobacco, and Firearms to determine if cash award approval levels were consistent among the programs. We also interviewed numerous Inspection Service and Postal Service officials concerning Inspection Service awards policy and practices.

We reviewed records and documents covering the period September 1998 through September 1999. We tested and validated computer-generated data obtained from the Postal Service payroll system by confirming it with source documentation and through discussions with Postal Service officials. Our tests disclosed that the data was sufficiently reliable to support the audit conclusions.

We conducted the audit from February 2000 through September 2000 in accordance with generally accepted government auditing standards, and included such tests of internal controls as were considered necessary under the circumstances. We discussed our conclusions and observations with management officials and included their comments where appropriate.

AUDIT RESULTS

Law Enforcement Employee Awards

The Inspection Service awards program for law enforcement employees was fairly administered. Specifically, cash award recipients reflected the division population, and cash awards were generally approved by the appropriate management level. Further, cash awards given to individuals undergoing disciplinary actions were adequately justified, and cash equivalent and noncash tangible awards were generally purchased with awards funds. See Appendix A for details.

However, several improvements could be made to the Inspection Service awards program. Specifically, the types of actions used to justify cash awards varied throughout Inspection Service divisions; some cash award justifications did not explicitly identify the purpose for the award; and some inconsistencies existed in the approval levels for cash awards when compared to awards programs at the federal law enforcement agencies surveyed. In addition, we could not determine whether cash equivalent and noncash tangible awards valued over $50 were reported to the Internal Revenue Service as required. Finally, while reviewing cash equivalent and noncash tangible award documentation, we identified that purchases for personal items were made through the Postal Service Procurement System.

Inspection Service management did not establish agency-wide policy identifying the types of acts that may warrant awards and requiring that award justifications identify the specific actions supporting the award. Inspection Service management, in conjunction with Postal Service Human Resources management, also developed a recognition and awards program for inspectors that was not fully comparable with the programs of other federal law enforcement agencies. In addition, division management did not maintain complete records of cash equivalent and noncash tangible awards given. Finally, management controls were not sufficient to ensure that only official purchases were made through the Postal Service Procurement System. As a result, there is an increased risk that the Inspection Service awards program may be perceived as not being fair or appropriately utilized and implemented.

Division Award Practices	The types of actions used to justify awards varied throughout Inspection Service divisions. Specifically, division officials provided awards for acts that were not awarded at other divisions. For example, officials from one division awarded an inspector $500 for obtaining a law degree and passing the bar exam. In addition, division officials had previously funded a bar review course and study materials for the same inspector at a cost of $1,470. Officials from the other ten sampled divisions did not provide awards for obtaining a law degree or passing the bar exam. In another example, officials from one division provided a $250 cash award to five inspectors[2] for obtaining perfect scores on the shooting range. Officials from the other ten divisions sampled did not provide awards for obtaining perfect scores on the shooting range. Further, we determined that the federal law enforcement agencies surveyed did not provide awards to law enforcement officers for obtaining perfect scores on the shooting range. Officials at these agencies stated that they considered proficiency on the range to be a requirement of the position. Practices for giving awards varied throughout Inspection Service divisions because Inspection Service management did not establish agency-wide policy governing the types of acts, in general, that may warrant awards. Officials from some divisions established internal policies governing their awards programs. However, these policies varied among divisions and many were not documented. A lack of agency-wide policy governing the types of acts that warrant awards may result in the perception that the awards program is not implemented in a consistent and fair manner.
Cash Award Justifications	Although most award justifications reviewed provided specific reasons for the awards being given, we identified some cash award justifications that did not explicitly identify the purpose for the award. Specifically, 180 of the 184 cash award justifications reviewed for 166 individuals provided specific reasons why the award was given. However, the remaining four awards included vague justifications such as “successfully solved robberies, burglaries, and numerous volume attack thefts,” and “consistently performed above

[2] One inspector received two awards for obtaining perfect scores on the shooting range.

and beyond the average level of expected performance." Based upon our statistical sample, we can project with 95 percent confidence that no more than 7.5 percent of the individuals received cash awards that were not specific. See Appendix B for a detailed explanation of the sample plan and results.

Award justifications were not always specific because Inspection Service management did not establish agency-wide policy requiring that award justifications identify the specific actions supporting the award. We projected that most cash awards given to law enforcement employees during FY 1999 provided specific justifications. However, those justifications that were not specific could raise questions regarding the appropriateness of the award and the fairness of the awards process.

Cash Award Approval Levels

Some inconsistencies existed in the approval levels for cash when compared to awards programs at the federal law enforcement agencies surveyed. We compared the Inspection Service awards program for law enforcement employees with awards programs at the Federal Bureau of Investigation; Secret Service; and Bureau of Alcohol, Tobacco, and Firearms. Although we found the purposes for providing cash awards to be consistent throughout all awards programs, there were some differences in the level of officials required to approve employee awards.

For example, the Inspection Service awards program allowed inspectors-in-charge to approve awards up to $5,000, while the Federal Bureau of Investigation; Secret Service; and the Bureau of Alcohol, Tobacco, and Firearms awards programs allowed equivalent personnel to only approve awards up to $100, $1,000, and $2,000 respectively. In addition, the Inspection Service awards programs allowed the chief postal inspector to approve awards up to $10,000, while the Federal Bureau of Investigation awards program allowed the director to only approve awards up to $5,000. See Appendix C for a comparison of award approval levels at the Inspection Service; Federal Bureau of Investigation; Secret Service; and Bureau of Alcohol, Tobacco, and Firearms.

Tax Reporting for Cash Equivalent and Noncash Tangible Awards	We could not determine whether cash equivalent and noncash tangible awards valued over $50 were reported to the Internal Revenue Service as required. Division officials are required to report cash equivalent and noncash tangible awards valued over $50 as recipient income to the Internal Revenue Service for taxation purposes. However, we could not determine if cash equivalent and noncash tangible awards were reported to the Internal Revenue Service because division management did not maintain complete records of the cash equivalent and noncash tangible awards given. Specifically, we identified that 13 of the 18 divisions did not maintain records of cash equivalent and noncash tangible awards. Without documentation identifying the cash equivalent and noncash tangible awards given, Inspection Service management may not be assured that all recipient income is reported to the Internal Revenue Service as required.
Personal Purchases	While reviewing cash equivalent and noncash tangible award documentation, we identified that purchases for personal items were made through the Postal Service procurement system. Specifically, we found an invoice identifying that an Inspection Service employee purchased personal items through the Postal Service procurement system. Notations on the invoice indicated that the Postal Service was reimbursed for the purchases. However, Inspection Service management approved the purchases through processing the voucher. Management controls were not sufficient to ensure that only official purchases were made through the Postal Service Procurement System. Allowing personal purchases to be made through the procurement system could result in the Postal Service being held financially responsible for items not needed.
Summary	Confidence in the fairness, administration, and implementation of any awards program is paramount to the success of the program. Although the Inspection Service awards program for law enforcement employees was fairly administered, the issues identified in this report could result in the perception that the awards program was not fair or was inappropriately utilized and implemented. This perception could adversely affect employee morale and impact the Inspection Service's ability to perform its mission. For example, variations in the types of actions used to

justify awards could result in the appearance of a lack of fairness in the awards process and inconsistency in the application of awards policy among Inspection Service divisions. As a result, Inspection Service management should ensure that the issues identified in this report are addressed to help prevent the risk of negative perceptions and support the success of the awards program.

Recommendation	We recommend the chief postal inspector: 1. Modify existing awards policy for law enforcement employees to: • Identify the types of acts, in general, that may warrant awards. • Require that award justifications identify the specific actions supporting the award.
Management's Comments	The deputy chief inspector, Professional Standards and Resource Development, provided comments to the report. The deputy chief inspector stated that his office will draft, and offer for policy augmentation consideration, general language identifying the type of actions that may warrant awards and requiring that justifications identify the specific reasons for the award.
Evaluation of Management's Comments	Management's comments are responsive to the recommendation.
Recommendation	2. Evaluate the approval levels for inspector cash awards to determine if they are appropriate and support the objectives of the awards program. Consider the approval levels of awards programs at other federal law enforcement agencies during the evaluation.
Management's Comments	The deputy chief inspector stated that the Inspection Service would evaluate approval levels for inspector cash awards to determine if they are appropriate and support the objectives of the awards program.

Evaluation of Management's Comments	Management's comments are responsive to the recommendation.
Recommendation	3. Establish management controls to ensure that all cash equivalent and noncash tangible awards are reported, as required, to the Internal Revenue Service as income to the recipient.
Management's Comments	The deputy chief inspector stated that the Inspection Service would establish management instructions/controls to ensure that all cash and noncash tangible awards are reported as income to the Internal Revenue Service as required.
Evaluation of Management's Comments	Management's comments are responsive to the recommendation.
Recommendation	4. Modify existing controls, or establish new management controls, to ensure that only official purchases are made through the Postal Service Procurement System.
Management's Comments	The deputy chief inspector stated that the Inspection Service would modify or issue new instructions to ensure that only official purchases are made through the Postal Service procurement process.
Evaluation of Management's Comments	Management's comments are responsive to the recommendation.

APPENDIX A. ADMINISTRATION OF AWARDS PROGRAM

Demographic Profile. Cash award recipients reflected the division population. We prepared a demographic profile of cash award recipients by age, gender, and race to determine if award recipients reflected the division population. To develop this profile, we compared the active division population with the population of division award recipients for FY 1999. Based on an analysis of this profile, we determined that cash award recipients generally reflected the division population. See Appendices D, E, and F for a comparison of employee award recipients by date of birth, minority classification, and gender.

Approval Levels. Cash awards were generally approved by the appropriate management level. Specifically, based on our sample results, we project that no more than 2.5 percent of cash awards under $5,000 in value were not approved by the appropriate management level. In addition, we reviewed all nine cash awards given in excess of $5,000 and determined that nine awards were approved by the chief postal inspector or designee. The remaining award was approved by an inspector in charge and only exceeded the $5,000 limit by approximately $500.

Disciplinary Actions. Cash awards given to individuals undergoing disciplinary actions were adequately justified. Specifically, we reviewed 1,469 (46 percent) of 3,159 inspector personnel files to determine if an individual received a cash award during the same time period they were under investigation. We determined that 7 of the 1,469 individuals reviewed were investigated during the approximate same time period that the actions occurred that were used to justify the award. However, we concluded that the award justifications supported the awards and that the disciplinary actions were not directly related to the actions awarded.

Awards Funds. Cash equivalent and noncash tangible awards were generally purchased with awards funds as required. Specifically, we determined that 17 of the 18 divisions either purchased cash equivalent and noncash tangible awards with awards funds, or purchased the items with operating funds and later transferred the funds to the awards fund. We could not determine whether the remaining division properly transferred all operating funds to the awards fund because division officials conducted the transfers themselves and did not maintain all associated documentation. Inspection Service awards policy requires that the Office of Finance and Administrative Services conduct all transfers of operating funds to the awards fund. Officials from the office of Finance and Administrative Services maintain documentation of all awards fund transfers.

APPENDIX B

STATISTICAL SAMPLING AND PROJECTIONS FOR ANALYSIS OF INSPECTION SERVICE CASH AWARDS

Purpose of the Sampling

One of the objectives of this audit was to assess the implementation of Postal Service policy regarding cash awards within the Inspection Service. In support of this objective, the audit team employed a two-stage attribute sample design that allows statistical projection of responses from individual Inspection Service division offices.

Definition of the Audit Universe

The audit universe consisted of 18 field division offices, with a total of 740 employees. Headquarters, the Forensic and Technical Services division, the Career Development division, and the three Inspection Service Operations Support Groups were not included in this universe. The management of the Inspection Service Operations Support Groups was the source of the universe data.

Sample Design

The audit used a two-stage sample design. At the first stage, eleven divisions were randomly selected for review. At the second stage, 15 individuals were selected from each first-stage division to provide a level of precision of approximately 4 percent for the projection, assuming a 10 percent error rate. The attribute analyzed was whether individuals received awards for which justifications were inadequately documented.

Statistical Projections of the Sample Data

For the attribute analyzed, the sample results indicated a very low number of errors. Therefore, the precision of the sample was analyzed using the hypergeometric adaptation of the binomial attribute table for controls testing, found in the General Accounting Office's Financial Audit Manual. Because the population size is considered small, the tabulated values for the upper precision interval (for 95 percent reliability) were adjusted by the square root of the corresponding hypergeometric finite population correction, ((N-n)/(N-1)).

Attribute 1: Individuals for Whom Award Approval Was Not Appropriately Documented.

The universe for this attribute is 740 individuals. Based on projection of the sample results, we are 95 percent confident that no more than 19 individuals, or 2.5 percent, received awards that lacked the proper approval documentation. The unbiased point estimate is zero individuals.

Attribute 2: Individuals for Whom Award Justification Were Inadequately Documented

The universe for this attribute is 740 individuals. Based on projection of the sample results, we are 95 percent confident that no more than 55 individuals, or 7.5 percent, received awards for which the justifications was inadequately documented. The unbiased point estimate is 28 individuals, or 3.8 percent of the universe.

APPENDIX C

COMPARISON OF CASH AWARD APPROVAL LEVELS BETWEEN THE INSPECTION SERVICE; FEDERAL BUREAU OF INVESTIGATION; SECRET SERVICE; AND BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

Organization	Amount of Award	Approving Authority
Inspection Service (Law Enforcement Employees)	Items other than cash with value less than $100	Immediate Supervisor
	Up to $5,000	Immediate Executive
	$5,001-$10,000	FY98-Chief Postal Inspector FY99-Deputy Chief Inspector for Administration FY00-Chief Postal Inspector
Federal Bureau of Investigation	$50-$100	Division Head
	4 hours to 40 hours (maximum 80 hours per calendar year)	Division Head
	$5,000	Director, Federal Bureau of Investigation
	Above $5,000	Referred to the Department of Justice
Secret Service	$25 - $500	Award Subpool Manager[3]
	$500-$1,000	Chief Counsel, Special Agent In Charge, Division Chief[4]
	$1,000-$2,500	Pool Manager[5]
	$2,500-$10,000	Pool Manager and Deputy Director
	Over $10,000	Office of Personnel Management
Bureau of Alcohol, Tobacco and Firearms	Up to $2,000	One Supervisory Level Above the Recommending Official[6]
	$2,000 to $5,000	Deputy Director (to Director, Bureau of Alcohol, Tobacco, and Firearms)
	$5,000 to $10,000	Director, Bureau of Alcohol, Tobacco, and Firearms

[3] Each pool is divided into subpools. Subpools include each assistant director's office, chief counsel, division, and field office. Approval levels for subpool managers are equivalent to the General Schedule 14/15 level.
[4] These positions are equivalent to inspectors in charge, Inspection Service.
[5] The superior accomplishment award budget is allocated among five pools: (1) Office of the Director and Deputy Director, Chief Counsel, Office of Government Liaison and Public Affairs, Office of Inspection, and Office of Training (2) Office of Administration, (3) Office of Protective Operations, (4) Office of Protective Research, and (5) Office of Investigations. Pool managers are equivalent to the senior executive service level.
[6] Associate directors, deputy directors, division chiefs, and staff chiefs, Office of Law Enforcement and Compliance Operations; comptroller, deputy comptroller, director, laboratory services, and division chiefs, Office of the Comptroller; assistant director and division chiefs, Office of Internal Affairs; assistant director, Congressional and Media Affairs; and the Chief Counsel are authorized to recommend and approve cash awards for headquarters employees in their directorates and for field personnel under their direct supervision.

APPENDIX D

COMPARISON OF INSPECTION SERVICE LAW ENFORCEMENT EMPLOYEE POPULATION TO CASH AWARD RECIPIENTS BY DATE OF BIRTH (DOB)

Division	Population	DOB 1940s	DOB 1950s	DOB 1960s	DOB 1970s
S. California	Employees	18%	48%	32%	2%
	Award Recipients	19%	56%	23%	2%
N. California	Employees	33%	48%	18%	1%
	Award Recipients	37%	41%	22%	
Rocky Mountain	Employees	19%	58%	23%	
	Award Recipients	10%	84%	6%	
Washington Metro	Employees	16%	54%	29%	1%
	Award Recipients	19%	60%	19%	2%
Florida	Employees	35%	44%	20%	1%
	Award Recipients	51%	33%	16%	
Southeast	Employees	39%	40%	21%	
	Award Recipients	39%	43%	18%	
N. Illinois	Employees	19%	48%	30%	3%
	Award Recipients	17%	51%	27%	5%
Northeast	Employees	33%	51%	15%	1%
	Award Recipients	37%	52%	11%	
Michiana	Employees	22%	44%	33%	1%
	Award Recipients	24%	41%	35%	
Midwest	Employees	19%	56%	23%	2%
	Award Recipients	16%	60%	23%	1%
N. Jersey/ Caribbean	Employees	20%	63%	17%	
	Award Recipients	18%	73%	9%	
New York	Employees	19%	52%	28%	1%
	Award Recipients	21%	60%	19%	
Mid-Atlantic	Employees	26%	56%	17%	1%
	Award Recipients	37%	48%	15%	
Western Allegheny	Employees	19%	59%	21%	1%
	Award Recipients	23%	65%	8%	4%
Philadelphia	Employees	27%	58%	15%	
	Award Recipients	27%	63%	10%	
Gulf Coast	Employees	26%	46%	27%	1%
	Award Recipients	25%	44%	31%	
Southwest	Employees	22%	55%	19%	4%
	Award Recipients	21%	55%	19%	5%
Northwest	Employees	24%	58%	18%	
	Award Recipients	19%	67%	14%	

APPENDIX E

COMPARISON OF INSPECTION SERVICE LAW ENFORCEMENT EMPLOYEE POPULATION TO CASH AWARD RECIPIENTS BY MINORITY CLASSIFICATION

Division	Population	American Indian, Alaskan Native American	Asian or Pacific Islander	Black, Non-Hispanic	Hispanic	White, Non-Hispanic	Non-Hispanic in Puerto Rico
S. California	Employees	1%	8%	13%	7%	71%	
	Award Recipients		9%	3%	7%	81%	
N. California	Employees		19%	8%	6%	67%	
	Award Recipients		9%	13%	3%	75%	
Rocky Mountain	Employees		4%	5%	16%	75%	
	Award Recipients				26%	74%	
Washington Metro	Employees			21%	4%	75%	
	Award Recipients			15%	4%	81%	
Florida	Employees			12%	17%	71%	
	Award Recipients			6%	12%	82%	
Southeast	Employees			21%	2%	77%	
	Award Recipients			23%		77%	
N. Illinois	Employees		4%	15%	4%	77%	
	Award Recipients		2%	18%	2%	78%	
Northeast	Employees			4%	1%	95%	
	Award Recipients					100%	
Michiana	Employees		1%	14%	2%	83%	
	Award Recipients		3%	16%	3%	78%	
Midwest	Employees	1%	1%	10%		88%	
	Award Recipients			10%		90%	
New Jersey/ Caribbean	Employees[7]		1%	10%	21%	66%	1%
	Award Recipients		3%	9%	12%	76%	

[7] We could not identify the minority code for 1 percent of active law enforcement employees at the New Jersey/Caribbean Division.

Division	Population	American Indian, Alaskan Native American	Asian or Pacific Islander	Black, Non-Hispanic	Hispanic	White, Non-Hispanic	Non-Hispanic in Puerto Rico
New York	Employees		4%	11%	8%	77%	
	Award Recipients		4%	4%	11%	81%	
Mid-Atlantic	Employees			13%	1%	86%	
	Award Recipients			11%	4%	85%	
Western (Cincinnati) Allegheny	Employees			4%	3%	93%	
	Award Recipients			4%	8%	88%	
Philadelphia	Employees			7%	2%	91%	
	Award Recipients			6%	4%	90%	
Gulf Coast	Employees	2%		17%	17%	64%	
	Award Recipients	3%		16%	9%	72%	
Southwest	Employees	1%	2%	6%	10%	81%	
	Award Recipients	2%	4%	10%	10%	74%	
Northwest	Employees	2%	2%	2%	9%	85%	
	Award Recipients				14%	86%	

APPENDIX F

COMPARISON OF INSPECTION SERVICE LAW ENFORCEMENT EMPLOYEE POPULATION TO CASH AWARD RECIPIENTS BY GENDER

Division	Gender	Law Enforcement Employees	Award Recipients
S. California	Female	29%	35%
	Male	71%	65%
N. California	Female	24%	38%
	Male	76%	63%
Rocky Mountain	Female	17%	6%
	Male	83%	94%
Washington Metro	Female	18%	15%
	Male	82%	85%
Florida	Female	19%	14%
	Male	81%	86%
Southeast	Female	14%	13%
	Male	86%	88%
N. Illinois	Female	17%	10%
	Male	83%	90%
Northeast	Female	12%	7%
	Male	88%	93%
Michiana	Female	23%	22%
	Male	77%	78%
Midwest	Female	19%	18%
	Male	81%	82%
New Jersey/ Caribbean	Female	15%	6%
	Male	85%	94%
New York	Female	14%	10%
	Male	86%	90%
Mid-Atlantic	Female	14%	19%
	Male	86%	81%
Western Allegheny	Female	12%	8%
	Male	88%	92%
Philadelphia	Female	12%	14%
	Male	88%	86%
Gulf Coast	Female	24%	16%
	Male	76%	84%
Southwest	Female	11%	7%
	Male	89%	93%
Northwest	Female	16%	14%
	Male	84%	86%

APPENDIX G. MANAGEMENT'S COMMENTS

UNITED STATES POSTAL INSPECTION SERVICE

PROFESSIONAL STANDARDS AND RESOURCE DEVELOPMENT

September 27, 2000

DEBRA D. PETTITT
ACTING ASSISTANT INSPECTOR GENERAL
FOR OVERSIGHT AND BUSINESS EVALUATIONS
OFFICE OF INSPECTOR GENERAL

SUBJECT: Audit Report – Inspection Service Awards Program for Law Enforcement Employees (Report Number OV-AR-00-DRAFT)

This memorandum responds to the subject report that presented the results of your audit of the Inspection Service awards program (Project Number 00CA003OV000). Your stated overall objective was to evaluate the management and operation of the Inspection Service awards program. Specifically, you determined whether the awards program was appropriately utilized and implemented in a consistent, effective, and efficient manner for law enforcement employees. The audit was conducted from February 2000 through August 2000. Your report stated the audit revealed the Inspection Service awards program for law enforcement personnel is administered fairly.

With regard to your four recommendations, we will do the following:

- The office of Professional Standards and Resource Development will draft and offer for policy augmentation consideration, general language regarding what actions warrant awards. We will do the same for requiring the identification of specific activity in supporting narrative justifications for awards.
- We will also evaluate the approval levels for inspector cash awards to determine if they are appropriate and support the objectives of the awards program.
- We will establish management instructions/controls to ensure that all cash and non-cash tangible awards required to be reported to the Internal Revenue Service, are reported per requirements, and
- We will modify or issue new instructions to ensure that only official purchases are made through the Postal Service procurement processes.

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cc: K. Weaver

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