



August 13, 2026

LAURA LOZON
DIRECTOR, AUDIT SERVICES

SUBJECT: Audit Resolution – Grievance Management (Audit 25-068-R26) Recommendation 6

Representatives of the Office of the Inspector General (OIG) and USPS management met on May 15, 2026, as a part of the established audit disagreement resolution process to discuss management's disagreement with recommendation 6 as stated in the January 5, 2026 management response in the subject audit report.

As a result of the meeting and a series of follow-up discussions, an agreement was reached pertaining to recommendation 6 which read as follows from the January 15, 2026 final audit report:

Recommendation #6

We recommend the Vice President, Labor Relations, develop guidance to 1) identify which management positions have the authority to enter into local agreements, 2) include risk management practices such as expiration dates, legal review, or mandatory periodic review clauses, for management responsible for negotiating future local agreements, and 3) create a digital repository for local agreements.

The recommendation status will be changed to "Agreed" in both the OIG's and management's tracking systems.

To close the recommendation management agrees to take the following action:

Management has issued a memorandum with instructions and responsibilities for grievance settlements. We will also update the supervisor's guide for handling grievances.

Management is coordinating with information technology to pursue creating a digital repository for the local memorandums of understanding (LMOUs).

Target Implementation Date: 01/11/2027

Responsible Official: VP Labor Relations

Sincerely,

E-SIGNED by MICHAEL J. ELSTON

on 2026-08-13 16:04:40 EDT

Michael J. Elston

Vice President, Labor Relations

cc: Corporate Audit & Response Management