

September 30, 1999

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SUBJECT: Allegations of Unwarranted Disciplinary Actions Against Postmasters in a District in the Southeast Area (Report Number LR-AR-99-012)

This report presents results of an audit of allegations of unwarranted disciplinary actions taken against Postmasters in a District in the Southeast Area (Project Number 99EA005LR002). We conducted this audit in response to allegations made by the National President of the National Association of Postmasters of the United States. After a preliminary review of the allegations, we decided to expand our scope and conduct an audit. The objective of the audit was to determine if the allegations were founded.

The audit disclosed that in some cases disciplinary actions taken against Postmasters were warranted. However, in other cases the discipline issued to Postmasters was not warranted. In addition, we found that District management did not follow the USPS disciplinary action appeals process. We also found that the USPS disciplinary action appeals policy does not stipulate a timeframe for the area reviewer to respond to appellants. We believe a modification of this policy is necessary.

The Vice President, Southeast Area Operations, strongly disagreed with our conclusion that discipline received by the Postmasters was unwarranted. He did agree that the timeframes for disciplinary action appeals in the Employee and Labor Relations Manual Subchapter 650 should be followed. The Vice President, Labor Relations, agreed with our recommendation to provide area reviewers with a timeframe for responding to Employee and Labor Relations Manual Subchapter 650 disciplinary action appeals. Management's responses and our evaluation of these responses are attached to 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 [REDACTED], [REDACTED], or me at [REDACTED]

Billy Sauls  
Assistant Inspector General  
for Employee

Attachment

cc: Clarence E. Lewis, Jr.  
Yvonne Maguire  
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## EXECUTIVE SUMMARY

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### Introduction

This report presents the results of our audit of allegations of unwarranted disciplinary actions taken against Postmasters in the Atlanta District. The objective of the audit was to determine if the allegations were founded. We also audited allegations that the discipline was punitive and not corrective, and that it was not equitable. In addition, we addressed the concern that District management did not follow the disciplinary action appeals process.

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### Results in Brief

We found that discipline issued to Postmasters was warranted because they intentionally violated the national policy on local buying authority when they split contracts in order to stay within the authorized spending authority. Because of the seriousness of this violation, we do not agree with the Postmasters that a “discussion” would have been more appropriate than formal discipline. We found that District management did adhere to United States Postal Service (USPS) policy for determining the appropriate level of discipline for Postmasters who violated the national policy on local buying authority.

However, discipline issued to Postmasters for failure to achieve the minimum score for Address Management System street reviews was not warranted. We agree with the Postmasters that morale was affected when punitive, instead of corrective, action was taken regarding their performance. The District Manager and the Manager of Post Office Operations did not adhere to USPS policy when punitive, instead of corrective, actions were taken against Postmasters for not achieving street review goals. We agree with Postmasters that individual discussions may have resolved this problem.

We believe discipline issued to Postmasters for violating the local buying authority policy was equitable because some violations were not as severe as others, and thus did not justify issuing the same level of discipline.

We found that the District Manager did not adhere to the USPS disciplinary action appeals process when he did not follow the prescribed timelines for responding to the Postmasters. In addition, we found that the area reviewer did not respond to Postmasters within a reasonable time.

This lack of timeliness resulted in the Postmasters' perceptions that their concerns were not taken seriously and that they were not treated fairly.

Finally, we found that the USPS disciplinary action appeals policy does not stipulate a timeframe for the area reviewer to respond to appellants. We believe a modification of this policy is necessary.

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**Summary of  
Recommendations**

We offer the following recommendations:

1. The Vice President, Southeast Area Operations, require the Atlanta District Manager and the Managers of Post Office Operations to comply with USPS policies regarding issuing discipline for unsatisfactory performance. In addition, hold these Managers accountable for issuing punitive discipline when corrective measures are available.
2. The Vice President, Southeast Area Operations, require the Atlanta District Manager to comply with USPS policies regarding the disciplinary action appeals process for non-bargaining employees. In addition, hold the District Manager accountable for appeals not handled in a timely manner.
3. The Vice President, Labor Relations, modify the Employee and Labor Relations Manual to include a specific timeframe for the area reviewer to respond to Subchapter 650 disciplinary action appeals.

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**Summary of  
Management's  
Comments**

Management strongly disagreed with recommendation 1 and agreed with recommendations 2 and 3. We summarized these responses in the report and included the full text of the comments in the appendix. Management also raised a concern regarding audits that explore whether discipline and the subsequent penalty were warranted.

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**Evaluation of  
Management's  
Comments**

We do not agree with management's comments on recommendation 1. Our finding of disciplinary actions against Postmasters is supported by USPS policies for managing, supporting and deciding whether to issue discipline to unsatisfactory performers. Also, the Inspector

General Act authorizes the OIG to conduct audits relating to the programs and operations of the USPS, including audits that address the appropriateness of disciplinary actions.

## INTRODUCTION

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### Background

In a letter dated October 16, 1997, the National President of the National Association of Postmasters of the United States requested that the Office of Inspector General (OIG) investigate allegations of abuse, intimidation, and a hostile work environment in the Atlanta District, Southeast Area. The allegations included the issuance of unfair discipline to Postmasters.

In November 1997 the OIG referred this matter to the USPS Chief Operating Officer and Executive Vice President because the National President had previously contacted USPS regarding the allegations. In correspondence dated November 5, 1997, the USPS Manager for Field Support and Integration recommended to the National President that the National Association of Postmasters of the United States and USPS Southeast Area conduct a joint review. On December 2, 1997, the USPS Chief Operating Officer and Executive Vice President informed us that the National Association of Postmasters of the United States had not responded to the USPS proposal.<sup>1</sup>

On February 8, 1999, we met with representatives of the Georgia Chapter of the National Association of Postmasters of the United States to discuss their concerns about discipline issued against the Postmasters. Chapter officials brought to our attention 11 cases in which they believed that discipline taken against Postmasters was unwarranted. Specifically, four Postmasters were disciplined for violating the USPS national policy on local buying authority for facility repair and alterations, and seven were disciplined for failure to meet the District's minimum score on the Address Management System street reviews. In addition, the Chapter officials asked us to review the length of time taken by the District Manager and area reviewer to render disciplinary action appeal decisions in 7 of the 11 cases.

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<sup>1</sup> We contacted the Association on June 2, 1999, and were told that the National President did not agree with the recommended approach and decided not to respond to USPS.

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**Objectives, Scope,  
and Methodology**

Our objectives were to determine whether:

- Discipline issued to the Atlanta District Postmasters for violating the national policy on local buying authority was warranted.
- Discipline issued to the Atlanta District Postmasters for not achieving the minimum score for Address Management System street reviews was warranted.
- District management adhered to USPS policy for determining the appropriate level of discipline in all cases.
- District management issued discipline equitably to all Postmasters involved.
- District management adhered to the disciplinary action appeals process as outlined in USPS policies and procedures.

We reviewed 31 cases<sup>2</sup> regarding Postmasters who violated the local buying authority policy or failed to meet the minimum score on the Address Management System street reviews. Some of the information regarding these cases was provided to us by members of the Georgia Chapter of the National Association of Postmasters of the United States. Other information was obtained from the Atlanta District Labor Relations and Personnel Offices.

We obtained documents and conducted interviews with the following individuals within the Atlanta District: the District Manager, a Labor Relations Specialist, an Attorney in the Legal Department, and the Address Management Systems Manager. Within the Southeast Area, we conducted interviews with the Operations Programs Analyst, Executive Program Director for Labor Relations, and Inspectors from the United States Postal Inspection Service. At USPS Headquarters, we spoke with the Address Management System Manager. In addition, we interviewed the National President and representatives of the Georgia Chapter of the National Association of Postmasters of the United States.

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<sup>2</sup> Each case represented one Postmaster.



We reviewed USPS policies and procedures related to local buying authority, disciplinary action for non-bargaining employees, performance evaluations, the disciplinary action appeals process for non-bargaining employees, and requirements for conducting the Address Management System street reviews. In addition, we reviewed investigative memoranda prepared by the Inspection Service domiciled in the Atlanta District.

This review was conducted from February through August 1999, in accordance with generally accepted government auditing standards, and included such tests of internal controls as we considered necessary under the circumstances.

## AUDIT RESULTS

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**Allegations of Unwarranted Discipline For Violating the Policy on Local Buying Authority for Facility Repair and Alteration Contracts**

Of the 31 cases we reviewed, 20 cases<sup>3</sup> were related to violations of the local buying authority policy. Of the 20 cases, 4 Postmasters received discipline and 16 did not. We concluded that discipline issued to the four Postmasters was warranted. USPS management appropriately determined that discipline was warranted because the Postmasters intentionally violated the national policy on local buying authority when they split contracts. The Postmasters split the contracts in order to stay within the national approval authority. Because of the seriousness of this violation, we do not agree with the Postmasters that a “discussion” would have been more appropriate than formal discipline.

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**National Policy on Local Buying Authority**

Section 713 of the Administrative Support Manual outlines the national policy on local buying authority for USPS facilities and post offices. Local buying authority for Postmasters is the authorization to buy and pay for day-to-day operational needs at the facilities for which they are responsible. The manual establishes the local buying authority for facility repairs and alterations as less than \$2,000. Facility repairs and alterations valued at \$2,000 or more must be approved and coordinated through the Administrative Support Office in each District.

The USPS Procurement Manual also applies the \$2,000 limit to ensure compliance with various statutory and legislative requirements, including the Davis-Bacon Act.<sup>4</sup> Specifically, the Act requires that contracts over \$2,000 contain a provision that sets minimum wages to be paid to all laborers and mechanics working on the work site.

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**District Policy on Local Buying Authority**

The Atlanta District also issued Standard Operating Procedures on May 11, 1995, which provided additional restrictions to the national policy on local buying authority for facilities. It specifically states “[e]mergency projects \$500 or less can be approved by the Atlanta Postmaster and Managers, Post Office Operations. All other repair and

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<sup>3</sup> During the course of our review, we learned that three additional employees in higher-level positions received discipline related to the national policy on local buying authority. Because their situations were not presented to us, we did not include them in our audit.

<sup>4</sup> The Davis-Bacon Act, passed in 1931, was the first federal wage law to provide prevailing wage protection to non-government workers engaged in federal construction projects.

alteration projects must be approved by the Administrative Services Office and funded by District finance before authorization of work.”

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Violations of Policies  
on Local Buying  
Authority

Four Postmasters received discipline because they intentionally violated both the national and the District policies for obtaining contractual support. These four Postmasters split contractual services and payments to accomplish one project and to ensure that they would not exceed the local buying authority of \$2,000.

For example, at one facility, the Postmaster awarded a contract for \$800 on January 10, 1996, to improve the post office lobby appearance and to replace and repair damaged areas. The contractor provided the services on February 9, 1996. On February 2, 1996, the Postmaster awarded a second contract for \$1,980 to improve customer service and mailbox lobby appearance. The second contractor provided services on February 7, 1996.

The Manager of Post Office Operations concluded that since the scope of both contracts was nearly identical and the service dates very close together, both contracts were for services to improve the appearance of the post office lobby and should have been contracted for as one project.

At another facility, the Postmaster split payments to one contractor for parking lot repairs. The contractor was paid \$1,800 on June 5, 1996, and was paid \$700 on June 18, 1996. The Manager of Post Office Operations concluded that these two payments were for one project—to pave the parking lot and driveway at a total cost of \$2,500. The Managers of Post Office Operations based their conclusions on the scope of the work performed, use of the same contractor, and payments to the contractor were within two weeks of one another.

During the appeal process, the four Postmasters acknowledged they were aware of the national policy on local buying authority. By splitting payments and contractual services, the Postmasters ensured that they were below the approved buying authority of \$2,000. The remaining 16 Postmasters did not receive discipline because their violations primarily involved failure to properly prepare the USPS Form 7381, Requisition for Supplies,

Services, or Equipment, for low-dollar requests. Further, they did not violate the national policy on local buying authority. The Atlanta District's Legal Department took corrective action by providing training to the 16 Postmasters to ensure compliance when issuing future contracts.

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**Allegations  
Concerning  
Discipline Related to  
Address Management  
System Street  
Reviews**

Of the 31 cases we reviewed, 11 cases were related to failure to achieve minimum scores for Address Management System street reviews. All of the Postmasters represented by these cases received discipline. We believe that this discipline was not warranted. We agree with the Postmasters that individual discussions regarding corrective action to improve their performance may have resolved the problem. We found that the supervisor did not discuss corrective actions nor the consequences of repeated poor performance with each Postmaster. Because these discussions did not occur, the Postmasters did not receive the assistance that might have helped them improve their performance. As a result, the Postmasters felt that the discipline issued was punitive and their morale was significantly impacted.

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**USPS Policies on  
Performance  
Evaluations**

Section 375.2 of the Employee and Labor Relations Manual outlines USPS procedures for evaluating employee performance. It states that unsatisfactory performance is a level of performance which is repeatedly or consistently below the minimum requirements expected of an employee in the position, based on an evaluation of job-related factors.

If the employee's performance is unsatisfactory, the supervisor is responsible for discussing performance with that employee. Discussions should include constructive measures that the employee should follow to improve performance to a satisfactory level.

If a supervisor determines that an employee's performance is unsatisfactory and reasonable efforts toward improving performance to a satisfactory level have not been successful, the supervisor:

- can reassign the employee to a job where the employee can be expected to perform satisfactorily; or
- must take disciplinary action when necessary.

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USPS Guidelines on  
Delivery/Address  
Management System  
Reviews

The USPS Delivery/Address Management System Quality Review Guidelines identify policies and procedures for conducting and participating in Address Management System street reviews. A street review helps to ensure that accurate addresses are identified and included in the Address Management System database, and prevents customers from being adversely affected.

An Area Address Management System Review Team conducts the National Address Management System street review each year. Forty routes are randomly selected for review within a District.

The policy requires that each District have a goal of achieving 100 percent accuracy for the street review. For District scores below 98 percent, the manual states that an audit must be conducted every six months until a score of 98 percent is achieved. However, in addition to achieving the national score, the Atlanta District Manager required each Postmaster to at least achieve the District's average score of 96.5 percent.

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Failure to Achieve  
Minimum Scores

In July 1997 a street review resulted in 11 Postmasters receiving discipline for failure to achieve the Atlanta District minimum score. The District Manager gave the Postmasters the opportunity to have their routes immediately reassessed. Of the 11 Postmasters, 4 elected to have their routes reassessed. The District Manager rescinded disciplinary action on the four Postmasters because the reassessments showed that they met or exceeded the District minimum score.

According to the Atlanta District Manager, the Postmasters were not advised that discipline would be issued if they did not achieve the minimum score. The District Manager stated "It would have been a threat to advise the Postmasters of discipline in advance."

The Manager of Post Office Operations stated that he could not remember if he had a one-on-one conversation with each Postmaster regarding the possibility of being issued discipline. However, he told us that everyone was informed of how critical the street review was and that he based his decision to issue discipline on four letters issued to all Postmasters.

We reviewed the four letters issued by the District Manager of Operations Program Support.<sup>5</sup> The letters were generic and addressed broad areas that could have potentially improved the street review scores, such as evaluating the address file, training employees, and allowing time to resolve errors. The letters also addressed potential awards that would be available to offices that met or exceeded the minimum score. However, the letters were not specific to any Postmaster or post office, nor did they advise or imply that discipline would be issued to Postmasters who did not achieve minimum scores.

The District Manager acknowledged that “this might have been the first time folks were held accountable.” This statement is supported by correspondence related to the November 1996 street review, which revealed that 24 post offices failed to achieve the score and that none of those Postmasters received discipline.

The Postmasters who received discipline after the July 1997 street review told us that discipline was punitive and unfair because they did not receive notice of weaknesses within their specific post offices. In addition, they were not provided with improvement measures nor the opportunity to correct deficiencies before discipline was issued. We believe that conducting a discussion on unsuccessful performance in accordance with USPS policies could have aided the Postmasters in achieving the minimum scores for the street reviews.

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**Compliance with  
USPS Policy on the  
Appropriate Level of  
Discipline**

District management adhered to USPS policy for determining the appropriate level of discipline for the 20 Postmasters who violated the local buying authority policy. The Manager of Post Office Operations, however, did not adhere to USPS policy when determining the corrective action to be taken against Postmasters for not achieving street review goals.

In addition, the District Manager did not require the Manager of Post Office Operations to comply with USPS policy for managing unsatisfactory performance of Postmasters when

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<sup>5</sup> These letters were dated March 17, 1997, April 22, 1997, May 20, 1997, and June 6, 1997.

he allowed discipline to be issued prior to corrective actions being taken. We agree with the Postmasters that individual discussions may have resolved the problem.

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USPS Policy on  
Issuing Disciplinary  
Actions and District  
Process for Issuing  
Discipline for Local  
Buying Authority  
Violations

Subchapter 650 of the Employee and Labor Relations Manual outlines the disciplinary action procedures for all employees not covered by the bargaining agreements.

Section 651.62 of the Employee and Labor Relations Manual states, in part, that discipline may be taken against an employee because: (a) of the gravity of the offense, or (b) lesser measures have not resulted in the correction of deficiencies in behavior or performance.

Sections 651.4 through 651.6 describe three primary types of discipline issued to non-bargaining employees.

- Letters of Warning are issued when non-disciplinary corrective measures, such as discussions or counseling, have failed. They may also be issued because of the seriousness of the offense. The employee's immediate supervisor may issue Letters of Warning.
- Letters of Warning in Lieu of Time-off Suspensions are initially written in a "proposal" format. This allows the employee and the employee's representative an opportunity to review and reply to the charges to the next higher level of management within 10 calendar days of receipt.
- Adverse Actions are discharges, suspensions of more than 14 days, furloughs without pay, and reductions in grade or pay. Unless the circumstances of a particular case make it impractical, the employee's immediate supervisor issues a written notice of proposed adverse action.

The Manager of Post Office Operations complied with USPS policies for issuing discipline for violations of the local buying authority. Specifically, the Atlanta District's Legal Department and Labor Relations Office conducted a joint evaluation. They reviewed the policy contained in the Employee and Labor Relations Manual, Subchapter 650, to determine whether discipline was warranted. In addition, the team considered the following information:

- investigative memoranda;
- employees' duties, positions and responsibilities; and
- employees' past disciplinary records.

Based on the recommendations of the Legal and Labor Relations team, the Managers issued the following discipline:

- a Letter of Warning to one Postmaster;
- a Letter of Warning in Lieu of a Seven-Day Suspension to one Postmaster; and
- a Letter of Warning in Lieu of a 14-Day Suspension to two Postmasters.

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District Process for Issuing Discipline for Failure to Achieve Minimum Street Review Scores

The Manager of Post Office Operations did not comply with USPS policies for managing unsatisfactory performance when he took punitive, rather than corrective, measures to improve the Postmasters' performance. For example, a corrective measure could have been an individual discussion or counseling session.

The District Manager also did not comply with USPS policies when he supported the Manager of Post Office Operations' decision to issue discipline in lieu of corrective measures. The District Manager's compliance with USPS performance policies is critical to the internal control process and employee morale. Employees' morale would be boosted based on observations of the District Manager's use of corrective, and not punitive, actions.

According to the District Manager, "everyone" knew what the expectations were for the Address Management System street reviews. The District Manager said, "After a point, if the employees did not get the message, then all they seemed to understand was discipline." However, the District Manager also said that in group discussions with Postmasters, he did not advise them that discipline would be issued for not achieving minimum scores on street reviews.



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**Recommendation**

We offer the following recommendation:

1. The Vice President, Southeast Area Operations, require the Atlanta District Manager and the Managers of Post Office Operations to comply with USPS policies regarding issuing discipline for unsatisfactory performance. In addition, hold these Managers accountable for issuing punitive discipline when corrective measures are available.

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**Management's  
Comments**

The Vice President, Southeast Area, strongly disagreed with the conclusion that management's actions were punitive and not corrective. He stated that the applicable provisions are in the Employee and Labor Relations Manual Subchapter 650. He said this Subchapter does not prevent management from issuing discipline when warranted by the failure of corrective measures or by the seriousness of the offense. He also said that management at the Atlanta District appropriately applied those procedures when they issued discipline.

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**Evaluation of  
Management's  
Comments**

We do not agree with management's comments on this recommendation. The Employee and Labor Relations Manual Subchapter 650 provides instruction on how to administer disciplinary actions after a decision has been made that discipline is in order. The Employee and Labor Relations Manual Section 375.2 instructs managers on how to manage, support and decide whether to issue discipline to unsatisfactory performers. Our conclusion was that management did not take corrective actions to improve performance, and instead resorted to discipline.

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**Equitability of  
Discipline**

Discipline issued to the 20 Postmasters for violating the local buying authority policy was equitable. The 16 Postmasters who violated the Atlanta District Standard Operating Procedure did not receive discipline because the infraction was not considered as severe as that of the four Postmasters who violated both the national and District policies. As a result, the 16 Postmasters received mandatory training instead of discipline.

According to an Atlanta District Attorney in the USPS Legal Department, the Legal and Labor Relations team was not convinced of the validity of the District's policy on local buying authority. This was based on the Attorney's belief that all Postmasters may not have received copies of the policy. In addition, the team did not believe that training on the policy was effective. The Attorney also said that the team found that violations of District policies were for low-dollar amounts and did not result in a violation of the Davis-Bacon Act.

In contrast, the four Postmasters who received discipline<sup>6</sup> violated both the national and District policies when they split contractual services and payments to ensure that they would not exceed the local buying authority of \$2,000. According to the Attorney, the team believed that these Postmasters intentionally circumvented the system.

Regarding the discipline issued for failure to achieve the minimum score on the Address Management System street review, we determined that discipline was not warranted and therefore, we did not address equitability.

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**Allegations  
Concerning  
Disciplinary Action  
Appeals Process**

Of the 31 cases we reviewed, 15 Postmasters were issued discipline and 16 received training. Of the 15 who received discipline, 7 appealed the discipline through the USPS appeals process. We found that the District Manager did not adhere to the USPS disciplinary action appeals process; specifically, he did not follow the prescribed timelines for responding to the seven Postmasters.

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<sup>6</sup> The discipline issued to the four Postmasters was subsequently removed through the Equal Employment Opportunity mediation process because District Management believed it would not be cost-effective to pursue the Agency's decision.

Three of the seven cases were subsequently appealed to the area reviewer. All three cases concerned Letters of Warning in Lieu of Time-off Suspensions. We found the response time in these three cases to be unreasonable even though the USPS appeals policy does not stipulate a timeframe for responding to appellants.

This lack of timeliness in responding to Postmasters resulted in the perception that their concerns were not taken seriously and that they were not treated fairly.

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USPS Policies on Non-Bargaining Employee Disciplinary Action Appeals	Subchapter 650 of the <u>Employee and Labor Relations Manual</u> outlines steps for appealing disciplinary actions. The procedures for appealing Letters of Warning are different from the procedures for appealing Letters of Warning in Lieu of Time-off Suspensions.
Policy on Appealing Letters of Warning	<p>In cases where Postmasters are appealing Letters of Warning, the Step A official is the Manager of Post Office Operations and the Step B official is the District Manager. The following applies when Postmasters appeal Letters of Warning:</p> <ul style="list-style-type: none"><li data-bbox="566 1039 1414 1470">• <b>Step A:</b> The Postmaster or representative<sup>7</sup> must appeal, in writing, to the Manager of Post Office Operations within ten calendar days of learning of the Letter of Warning. During this period, the Postmaster or representative has the opportunity to discuss the Letter of Warning with the Manager of Post Office Operations. The Manager of Post Office Operations must give a written decision within five calendar days after receipt of the appeal. Only under extenuating circumstances may the Manager of Post Office Operations respond after the five-day period. The Manager's written decision must explain the reason for the delay.</li><li data-bbox="566 1518 1414 1729">• <b>Step B:</b> The Postmaster or representative has seven calendar days after receipt of the Step A decision to appeal, in writing, to the District Manager. The District Manager must then provide a decision, in writing, to the Postmaster or representative within ten calendar days after receipt of the appeal.</li></ul>

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<sup>7</sup> The Employee and Labor Relations Manual allows employees free choice of representation.

- **Review:** The Postmaster or representative may request, in writing, a review of the Step B decision to the Area Human Resources Manager within 15 calendar days of receipt of the decision. A reviewing official is assigned and must provide a decision, in writing, to the Postmaster or representative. There is no established time limitation for the reviewing official to issue a decision.

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Policy on Appealing  
Letters of Warning in  
Lieu of Time-Off  
Suspension

In cases where management makes a decision to issue a Letter of Warning in Lieu of Time-Off Suspension, the letter must first be issued in a “proposed” format. In cases where Postmasters are appealing proposed Letters of Warning in Lieu of Time-Off Suspensions, the following applies:

- The Postmaster and/or representative may reply in writing, and/or in person, to the District Manager within ten calendar days of receipt of the proposed letter.
- After full consideration of the reply or at the end of the ten-day period, the District Manager issues a letter of decision.

The Postmaster may appeal the District Manager’s decision to the Area Human Resources Manager within 15 calendar days of receipt of the decision. A reviewing official is assigned and must provide a decision, in writing, to the Postmaster or representative. The review of the appeal is based solely on record and there is no opportunity for the Postmaster or his or her representative to meet with the reviewing official. The reviewing official issues a written decision, and there is no further right of administrative appeal. There is no established time limitation for the reviewing official to issue a decision.

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Disciplinary Action  
Appeal Decisions Not  
Rendered Timely

The District Manager did not adhere to the USPS disciplinary action appeals process when he did not follow the prescribed timelines for responding to the seven Postmasters.

We found three cases involving proposed Letters of Warning In Lieu of Time-Off Suspensions where the District Manager did not submit the written responses to the appellants until approximately three months after their meetings. For example, in two cases, the meetings

occurred on November 21, 1997, but the District Manager's decision was not issued until March 20, 1998. This is 108 days beyond the prescribed 10 calendar days.

In the other four cases involving Letters of Warning, we found no record of a decision from the District Manager in either the official personnel file or the District's disciplinary action file.<sup>8</sup> In one case, the appeal is dated September 15, 1997, and as of February 11, 1999, no record of decision was found.

The District Manager admitted that there have been occasions when he has not responded in a timely manner. He told us that he could not remember the specifics of each appeal, but acknowledged "things fell through the cracks." The Postmasters believed that the District Manager did not take their appeals seriously when he did not respond within a reasonable timeframe.

Three of the seven cases were subsequently appealed to the area reviewer. All three cases were Letters of Warning In Lieu of Time-Off Suspensions. We believe the response time in these three cases was unreasonable. Specifically, in two cases the area reviewer responded in excess of 70 days after the appeal was filed.<sup>9</sup> One appeal was dated April 10, 1998, and the decision was rendered June 23, 1998, a total of 73 days later. The other appeal was dated March 31, 1998, and the decision was rendered June 23, 1998, a total of 83 days later. In the third case, the appeal was dated March 24, 1998, and as of February 11, 1999, there was no record of a decision in the files.

According to the Area Executive Program Director of Labor Relations, his office is responsible for the area reviews of Subchapter 650 appeals in the Southeast and Southwest Areas. He told us that the reviewers try to respond to the Subchapter 650 appeals within 30 days, and believes that they are able to meet the 30-day timeframe. However, he said, ". . . there are a few that fall through the cracks."

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<sup>8</sup> The Employee and Labor Relations Manual does not identify a time period for retaining Letters of Warning.

<sup>9</sup> The collective bargaining agreements require that, at the National level, the employee meets and attempts to resolve grievances between 21-30 days after bargaining employees file grievances.

Although the USPS appeals policy does not provide a timeframe when the appellant can expect a decision from the area reviewer, we believe more than 70 days is unreasonable.

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**Recommendations**

We offer the following recommendations:

2. The Vice President, Southeast Area Operations, require the Atlanta District Manager to comply with USPS policies regarding the disciplinary action appeals process for non-bargaining employees. In addition, hold the District Manager accountable for appeals not handled in a timely manner.
3. The Vice President, Labor Relations, modify the Employee and Labor Relations Manual to include a specific timeframe for the area reviewer to respond to Subchapter 650 disciplinary action appeals.

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**Management's  
Comments**

Management provided the following responses to our recommendations.

The Vice President, Southeast Area Operations, agreed that the timeframes for appeal in the Employee and Labor Relations Manual Subchapter 650 are to be followed. He stated that the District Manager will be instructed to establish a local monitoring mechanism to assure that appeals are properly processed.

The Vice President, Labor Relations, agreed with our recommendation and stated that the current provisions governing disciplinary action appeals do not provide specific time limits for completing review of a Step B appeal. He stated, however, that as a general rule, the Step B decision occurs within a 60-day timeframe. In order to reinforce the need for timely review and final disposition, he issued a memorandum to the responsible managers outlining the 60-day requirement.

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**Evaluation of  
Management's  
Comments**

Management's comments and actions are responsive to the intent of our recommendations.

BOB DAVIS  
VICE PRESIDENT, AREA OPERATIONS  
SOUTHEAST AREA



September 8, 1999

MEMORANDUM FOR: Mr. Billy Sauls  
Assistant Inspector General for Employee  
Office of the Inspector General  
1735 N. Lynn Street  
Arlington, VA 22209-2020

SUBJECT: Draft Audit Report, Allegations of Unwarranted Disciplinary  
Actions against Postmasters in the Atlanta District  
(Audit Report Number LR-AR-99 Draft)

This is a response to the draft report regarding Allegations of Unwarranted Disciplinary Actions against Postmasters in the Atlanta District dated August 13, 1999.

I strongly disagree with the draft report's conclusion that the managers in the Atlanta District did not adhere to USPS policy when punitive, instead of corrective, actions were taken against Postmasters for not achieving street review goals. The applicable provisions for nonbargaining disciplinary procedures are found at Subchapter 650 of the Employee and Labor Relations Manual (ELM). The application of ELM 375.2 regarding performance evaluations is misplaced in determining the appropriateness of disciplinary actions. Management can issue discipline when warranted by the failure of corrective measures or by the seriousness of the offense. Management at the Atlanta District appropriately applied those procedures when they issued discipline due to the seriousness of the offense. This is clearly within the established regulatory provisions.

It appears the "punitive conclusion" was based on the premise that the notice was not individualized, no opportunity was provided for improvement, and postmasters were not specifically warned of the possibility of discipline. The procedures of ELM 650 do not support the basis for your conclusions. In addition, it could be argued that opportunity was provided for improvement in the form of meetings and letters that reviewed previous failures and provided areas for potential improvement.

The following represents my specific response to the recommendations:

1. **DISAGREE-** Strong disagreement with the conclusion that management's actions were punitive and not corrective. No regulatory support for the opinion that managers in the Atlanta District failed to follow the provisions in ELM 650 for issuing discipline.

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2. **AGREE-** The timeframes for appeal in ELM 650 are to be followed. The District Manager will be issued instructions to establish a local monitoring mechanism to assure that all local ELM 650 appeals are processed in accordance with the established regulations.
3. **NOT APPLICABLE TO AREA LEVEL RESPONSE-** All modifications of the nondisciplinary appeal procedure are subject to the consultation process with the management associations and must be effected at the Headquarters level. Therefore, the Vice President, Labor Relations, will specifically respond to this recommendation.

In closing, I must raise a concern regarding audits that explore whether discipline and the subsequent appropriate penalty were warranted. Audits of this nature should be limited to whether the relevant procedures/regulations were followed. Appropriate administrative appeal processes are in place to address whether discipline is warranted and the appropriateness of the penalty.

  
Bob Davis

cc: Anthony J. Vegliante, Vice President, Labor Relations  
Robert Sheehan, Atlanta District Manager



**Allegations of Unwarranted Disciplinary Actions  
Against Postmasters in a District in the Southeast Area**

LR-AR-99-012

ANTHONY J. VEGLIANTE  
VICE PRESIDENT, LABOR RELATIONS



September 13, 1999

Mr. Billy Sauls  
Assistant Inspector General for Employee  
Office of the Inspector General  
1735 N. Lynn Street  
Arlington, VA 22209-2020

Dear Mr. Sauls:

This is in response to your August 13, 1999, letter transmitting a draft of your report numbered LR-AR-99-Draft entitled, Allegations of Unwarranted Disciplinary Actions Against Postmasters in the Atlanta District (Project Number EA005LR002) and our meeting with representatives of your office to discuss the draft report on September 10, 1999. The report discusses allegations by officers of the National Association of Postmasters of the United States (NAPUS) that postmasters in the Atlanta District were disciplined too harshly for violations of procurement procedures for failing Address Management System street audits. I have had the opportunity to review and discuss the draft report and have the following comments:

The only recommendation which you have made which requests my specific response is your observation that I should "... modify the Employee and Labor Relations Manual (ELM) to include specific timeframe [sic] for the area reviewer to respond to Subchapter 650 disciplinary action appeals." For the record, appeals of letters of warning are covered by the provisions in Subchapter 650 of ELM, while appeals of letters of warning in lieu of time-off suspensions are covered by the provisions of Management Instruction EL-650-96-3, dated May 31, 1996.

While the current provisions governing Subchapter 650 disciplinary appeals (ELM 652.32-.34) provide specific time limits for decisions rendered under Step A (immediate supervisor) and Step B (next higher level of management) of the process, the timeframe for completing review of a Step B appeal is left open-ended. As a general rule, the review of Step B decisions occurs within a 60-day timeframe. While we believe this an adequate timeframe for review and decision, in light of the Inspector General's report, we have agreed to reinforce the need for timely review and final disposition, and have done so in the enclosed memorandum.

Thank you for your observations and recommendations.

Sincerely,

  
Anthony J. Vegliante

Enclosure

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ANTHONY J. VEGLIANTE  
VICE PRESIDENT, LABOR RELATIONS



September 13, 1999

MANAGERS, HUMAN RESOURCES, AREA  
MANAGER, EEO COMPLIANCE AND APPEALS

Under the provisions of the Employee and Labor Relations Manual (ELM), Subchapter 652.3, specific timeframes are established for review and decision on Step A and B appeals (ELM 652.32 and .33), however, the provision addressing final disposition under area and headquarters review is left open ended (ELM 652.34). While as a general rule, this final disposition takes place in most instances with a 60-day period from receipt of the letter requesting review of the Step B decision, a recent audit by the Inspector General's Office reveals that there have been reported instances where the final disposition letter has not been issued for a considerably longer period of time.

This is to reiterate that final dispositions of appeals of Step B decisions are to be issued within 60 days of receipt of the letter requesting review of the Step B decision. In most instances this is adequate time to conduct a review and issue a final disposition letter. The 60-day period may be extended by the Vice President, Area Operations in area cases and the Vice President, Labor Relations in headquarters, headquarters-related, and Inspection Service cases, under very limited circumstances for good cause shown, however, this should be the exception and not the norm. In the absence of such extenuating circumstances, the 60-day period for final disposition is to be adhered to.

  
Anthony J. Vegliante

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**Major Contributors to [REDACTED]  
This Report**