

September 29, 2000

KENNETH C. WEAVER
CHIEF POSTAL INSPECTOR

SUBJECT: Audit of the Postal Inspection Service Disciplinary Process for
Nonbargaining Employees (Report Number OV-AR-00-004)

This report presents the results of our audit of the Postal Inspection Service Disciplinary Process for Nonbargaining Employees (Project Number 99CR001OV000). Our objective was to determine if disciplinary measures were timely and consistently applied throughout the Inspection Service. This audit was conducted as a follow-on to a prior review of disciplinary issues requested by the Chairman, House Subcommittee on Postal Operations, and was included in our fiscal year 1999 audit workload plan.

The audit revealed that the Inspection Service disciplinary process for nonbargaining employees could be improved. Specifically, internal investigations were conducted by field inspectors from the same divisions as the individuals being investigated; potential violations of the Inspection Service Code of Conduct were not always reported to the Office of Inspections as required; and we could not document the extent of Office of Inspections oversight of internal investigations assigned to field inspectors.

Management provided comments to the report and generally agreed with our recommendations. Management's comments and our evaluation of these comments are included in the report.

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

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

Attachment

cc: James K. Belz
John R. Gunnels

TABLE OF CONTENTS

Executive Summary	i
Part I	
Introduction	1
Background	1
Objective, Scope, and Methodology	3
Part II	
Audit Results	5
Disciplinary Process for Nonbargaining Employees	5
Recommendations	9
Management's Comments	9
Evaluation of Management's Comments	9
Appendix A. Internal Investigations Closed During FY 1999 by Type of Allegation and Final Disposition	13
Appendix B. Management's Comments	14

EXECUTIVE SUMMARY

Introduction

This report presents the results of our review of the Inspection Service disciplinary process for nonbargaining employees. Our objective was to determine if disciplinary measures were timely and consistently applied throughout the Inspection Service. Specifically, we determined if investigations of disciplinary issues for nonbargaining employees were independently conducted, supported the proposed action, and received adequate management oversight. This audit was conducted as a follow on to a prior review of disciplinary issues requested by the Chairman, House Subcommittee on Postal Operations, and was included in our fiscal year 1999 audit workload plan.

Results in Brief

The audit revealed that the Inspection Service disciplinary process for nonbargaining employees could be improved. Specifically, internal investigations were conducted by field inspectors from the same divisions, and in one case the same domicile, as the individual being investigated. In addition, potential violations of the Inspection Service Code of Conduct were not always reported to the Office of Inspections as required, resulting in similar allegations being handled as internal investigations and at the division level. Further, although oversight provided by headquarters management helped ensure the timely disposition of disciplinary measures, we could not document the extent of Office of Inspections oversight of internal investigations assigned to field inspectors. As a result, there is an increased risk that the Inspection Service disciplinary process may be perceived as not being independent, fair, and consistently administered.

Summary of Recommendations

We recommend that the chief postal inspector direct the Office of Inspections to conduct all internal investigations and, if necessary, assign internal investigations involving less serious offenses to field inspectors from different divisions than the subjects being investigated. We further recommend that the chief postal inspector establish controls to ensure that all potential violations of the Code of Conduct are reported to the Office of Inspections as required; direct the Office of Inspections to conduct internal investigations of all allegations of potentially serious violations of the Code

of Conduct; and direct the Office of Inspections to maintain and document oversight of internal investigations assigned to field inspectors.

**Management's
Comments**

The deputy chief inspector, Professional Standards and Resource Development, generally agreed with the recommendations and identified the following corrective actions.

- Beginning in fiscal year 2001, the Office of Inspections will conduct all serious internal investigations for nonbargaining employees.
- Guidance will be issued to managers reinforcing the importance of the Code of Conduct and the obligation to promptly report all potential violations to the Office of Inspections.
- The Office of Inspections will conduct internal investigations of all allegations of potentially serious violations of the Inspection Service Code of Conduct.
- The Office of Inspections will facilitate the issuance of a policy update clarifying their oversight of internal investigations assigned to the field.

The deputy chief inspector further identified that there was no correlation between the audit objectives and a review of the internal investigative process.

Management's comments, in their entirety, are included in Appendix B of this report.

**Overall Evaluation of
Management's
Comments**

Management's comments are responsive to the recommendations. We believe that the corrective actions identified by management will strengthen the disciplinary process by ensuring that internal investigations are independently and consistently conducted. However, we disagree that there is not a correlation between the audit objectives and a review of the internal investigative process. As identified in the report, this audit was conducted as a follow-on review to an Office of Inspector General (OIG) report that identified deficiencies in the internal investigative process.

INTRODUCTION

Background

The Inspection Service disciplinary process consists of an allegation of misconduct, an investigation of the misconduct by headquarters or division personnel, and an adjudication of the issue by a deciding official at a supervisory position at least two levels above the individual being investigated. The disciplinary process for nonbargaining employees relates to the allegation, investigation, and adjudication of actions by employees not covered by collective bargaining agreements. The Inspection Service disciplinary process for nonbargaining employees is consistent with the Postal Service disciplinary process.

Criteria

The Postal Service Employee and Labor Relations Manual, Chapter 650, "Nonbargaining Disciplinary, Grievance, and Appeal Procedures," December 1999, governs the disciplinary process for nonbargaining employees within the Inspection Service. Specifically, the Employee and Labor Relations Manual establishes procedures for (a) disciplinary action against nonprobationary employees who are not subject to the provisions of a collective bargaining agreement, and (b) emergency action for conduct that also normally warrants disciplinary action.

The Inspection Service Manual, July 30, 1999, identifies guidelines for conducting internal investigations of Inspection Service employees and identifies the Inspection Service Code of Conduct. Specifically, the manual identifies the Office of Inspections as having primary responsibility for investigating allegations of misconduct within the Inspection Service. The manual further identifies reporting requirements for alleged infractions and requires that Inspection Service management report potential violations of the Inspection Service Code of Conduct to the Office of Inspections. Finally, the manual identifies the 14 Code of Conduct standards that emphasize conduct that impacts the efficient operation of the Inspection Service. These standards include such categories as integrity, personal responsibility, misuse of government property, and conduct and department.

Disciplinary Process

Disciplinary issues are investigated by the Office of Inspections or at the division level. Investigations conducted by the Office of Inspections are referred to as H-cases, or internal investigations. Internal investigations are conducted when there are allegations of employee misconduct which affect the performance of duties or when managers have information of employee misconduct. The Office of Inspections generally conducts internal investigations but may assign investigations to field inspectors depending on the volume and seriousness of the allegations. Investigations conducted at the division level generally involve less serious allegations that do not affect the performance of duties, such as loss of accountable property. However, division management is required to notify the Office of Inspections of all potential violations of the Inspection Service Code of Conduct.

Investigations of disciplinary issues begin with an initial fact-finding phase and are followed by the subject's supervisor addressing the allegation in writing and proposing a disciplinary action, if deemed warranted. The subject is given an opportunity to review and comment on the proposed disciplinary action. The deciding official, who must be at least one level higher than the proposing official, makes the final determination on the disciplinary action and issues a letter of decision to the subject. Appeals may be elevated to the chief postal inspector, the chief postal inspector's designee, or the Merit Systems Protection Board depending on the severity of the disciplinary action and the employee's eligibility. Disciplinary issues are resolved through exoneration, adverse actions,¹ nonadverse actions², appeals, or by settlement agreements which have nondisclosure requirements.

¹ Adverse actions include discharges, suspensions of more than 14 days, furloughs without pay, and reductions in grade or pay.

² Nonadverse actions primarily include letters of warning and letters of warning in lieu of time-off suspensions.

**Objective, Scope, and
Methodology**

Our overall objective was to determine if disciplinary measures were timely and consistently applied throughout the Inspection Service. Specifically, we determined if investigations of disciplinary issues for nonbargaining employees were independently conducted, supported the proposed action, and received adequate management oversight.³ These objectives were formulated to address observations contained in the Office of Inspector General (OIG) Management Advisory Report, Handling of Internal Affairs Case, Report Number OV-MA-98-001, March 1998.

To accomplish our objectives, we reviewed all 30⁴ internal investigations that were closed during fiscal year (FY) 1999. Specifically, we reviewed investigative case files, letters of decision, investigative briefs and memorandums, and the subjects' responses, if any, to the allegations. We also randomly selected and reviewed 1,469 official personnel files to evaluate nonadverse disciplinary actions, primarily resulting in letters of warning of various types, maintained at Operations Support Group offices. We also reviewed all 22 disciplinary actions maintained in a suspense file⁵ at an Operations Support Group office. Appendix A summarizes the allegations and final disposition of the 30 internal investigations closed during FY 1999.

We interviewed Inspection Service headquarters, Office of Inspections, and Human Resources officials concerning the Inspection Service disciplinary process. We also interviewed officials from Postal Service Human Resources and the Federal Bureau of Investigation; Secret Service;

³ We did not review the disciplinary process for personnel covered under the collective bargaining agreement, whose disciplinary process is governed by the terms of individual union contracts; executives whose disciplinary investigations are conducted by the OIG; disciplinary issues handled through counseling; and disciplinary issues related to poor job performance, which are not investigated by the Office of Inspections.

⁴ These 30 cases involved 35 Inspection Service nonbargaining employees. One of the 35 employees was investigated twice.

⁵ This suspense file consisted of copies of all valid and unexpired disciplinary actions sorted by the dates these actions were scheduled to be expunged from the official personnel folders of each recipient.

and Bureau of Alcohol, Tobacco, and Firearms, concerning Inspection Service and agency disciplinary policies and procedures.⁶

We conducted the audit from January 2000 through September 2000 in accordance with generally accepted government auditing standards. We reviewed management controls over the disciplinary process as they related to the audit objectives. We discussed our conclusions and observations with management officials and included their comments where appropriate.

⁶ We interviewed former and current officials from the Federal Bureau of Investigation; Secret Service; and Bureau of Alcohol, Tobacco, and Firearms. Information obtained was self-reported and was not independently verified.

AUDIT RESULTS

Disciplinary Process for NonBargaining Employees

The Inspection Service disciplinary process for nonbargaining employees could be improved. Specifically, internal investigations were conducted by field inspectors from the same divisions, and in one case the same domicile, as the individual being investigated. In addition, potential violations of the Inspection Service Code of Conduct were not always reported to the Office of Inspections as required, resulting in similar allegations being handled as internal investigations and at the division level. Further, although oversight provided by headquarters management helped ensure the timely disposition of disciplinary measures, we could not document the extent of Office of Inspections oversight of internal investigations assigned to field inspectors.

These conditions occurred because the inspector in charge or assistant inspector in charge of the individual being investigated were involved in the selection of the field investigating inspectors. In addition, requirements to notify the Office of Inspections of all potential violations of the Inspection Service Code of Conduct were not enforced by the Office of Inspections and headquarters management. Further, potential violations of the Inspection Service Code of Conduct were not required to be reviewed as internal investigations. Finally, Office of Inspections personnel did not consistently and thoroughly document oversight provided by internal investigations assigned to field inspectors in case files. As a result, there is an increased risk that the Inspection Service disciplinary process may be perceived as not being independent, fair, and consistently administered.

Independence of Investigations

Internal Investigations were conducted by field inspectors from the same divisions, and in one case the same domicile, as the individual being investigated. Specifically, five of the eight internal investigations conducted by field inspectors were investigated by inspectors from the same division as the individual being investigated. In addition, one of the internal investigations was conducted by an inspector who was from the same domicile as the individual investigated. We further found that in one instance, the investigating official was selected not only from the same division as the individual being investigated, but was one of

the individual's two assistant inspectors in charge. In another instance, the investigating official and the individual being investigated were members of the same team.

The inspector in charge or assistant inspector in charge of the individual being investigated were involved in the selection of the field investigating inspectors. According to the inspector in charge, Office of Inspections, the selection of the field investigating officer is normally the result of a joint decision between the subject's inspector in charge or assistant inspector in charge and the inspector in charge, Office of Inspections. We believe that this process could result in the appearance of a lack of independence. Specifically, the subject's inspector in charge or assistant inspector in charge is normally the deciding official for both adverse and nonadverse disciplinary actions. If the inspector in charge or assistant inspector in charge were also the nominating official for the field investigating officer, it may appear that the inspector in charge or assistant inspector in charge is not independent from the process.

We reviewed the disciplinary processes of the Federal Bureau of Investigation; Secret Service; and Bureau of Alcohol, Tobacco, and Firearms, and compared them to the Inspection Service's disciplinary process. We determined that only one of the three agencies allowed internal investigations to be conducted by personnel within the same reporting chain as the subject being investigated. The remaining two agencies conducted all internal affairs investigations from a central headquarters office.

Case Notification and
Selection

Potential violations of the Inspection Service Code of Conduct were not always reported to the Office of Inspections as required. As a result, similar allegations involving potential violations of the Inspection Service Code of Conduct were handled as internal investigations and at the division level. From our sample of 1,469 personnel files, we identified seven disciplinary action cases that were within the audit scope and were not the result of internal investigations. Two additional cases were identified from the 22 suspense files, for a total of nine cases reviewed during this audit. Of these nine cases reviewed, five cases involved potential violations of the Inspection Service Code of Conduct that, at a minimum, should have been reported to the Office of Inspections as required. These

potential violations included misuse of government property, falsification or misrepresentation, and sexual harassment.

Requirements to notify the Office of Inspections of all potential violations of the Inspection Service Code of Conduct were not enforced by headquarters management. Specifically, there is no separate directive to the divisions which reinforced the requirement to report all potential violations of the Inspection Service Code of Conduct. Reporting potential violations of the Inspection Service Code of Conduct to the Office of Inspections will help ensure that serious allegations receive the amount of review and headquarters oversight needed.

Since the Office of Inspections does not track investigations of disciplinary issues conducted by division officials, we could not determine the extent of similar allegations being handled as both internal investigations and at the division level due to a failure to report the incident to the Office of Inspections. However, based on our review of 30 internal investigations and nine disciplinary actions at the division level, we determined that three potentially serious violations of the Code of Conduct were not reported to the Office of Inspections and, as a result, were investigated at the division level.

One of the three potentially serious violations involved the misuse of a government vehicle. Specifically, we identified that an individual was issued a letter of warning for failing to properly safeguard and secure government property, which is not an element of the Code of Conduct and is not required to be reported to the Office of Inspections. However, in the letter of warning, the deciding official indicated this incident, a break-in to a law enforcement vehicle, occurred while the inspector left his unlocked vehicle parked at his son's house while tending to personal business. Without the details of an investigative memorandum, as would be prepared if this incident were investigated as an internal investigation, it is unclear whether or not the postal inspector misused his official law enforcement vehicle, a violation of the Code of Conduct. If this incident had involved the misuse of a law enforcement vehicle, the discipline given appears relatively minor, especially if the misuse was judged to be willful, which carries a minimum statutory 30-day suspension.

Although internal investigations are not always required to be initiated for potential violations of the Code of Conduct,⁷ the consistent initiation of internal investigations for potentially serious violations would enhance the effectiveness of the disciplinary process. Specifically, internal investigations have more centralized control, documentation standards, and executive-level review when compared to division level investigations. In addition, Human Resources officials stated that their review and quality control functions for proposed disciplinary actions are enhanced by having internal investigative memorandums to form an objective opinion of the facts. Investigative memorandums are normally not prepared for division level investigations for Human Resource and other management officials to review.

Oversight of Internal
Investigations
Assigned to Field
Inspectors

Although oversight provided by headquarters management helped ensure the timely disposition of disciplinary measures, we could not document the extent of Office of Inspections oversight of internal investigations assigned to field inspectors. Case files often identified that Office of Inspections personnel contacted the field investigating inspector. However, the case files provided little or no indication of the nature of the contacts or relevant information obtained from the investigating field inspector to assist in case oversight.

Requiring Office of Inspections personnel to consistently and thoroughly document case oversight in case files would help ensure that adequate oversight of field investigations is provided and recorded for subsequent review. In addition, consistent and thorough documentation of case oversight would help ensure more thorough investigations to assist the deciding official on the appropriate level of disciplinary action, if any, required based on the circumstances.

Summary

There is an increased risk that the Inspection Service disciplinary process may be perceived as not being independent, fair, and consistently administered. Specifically, internally conducted investigations, the failure

⁷ Internal investigations are required to be conducted for potential violations of the Code of Conduct that relate to the loss of evidence, funds, and firearms.

to report potential violations, and a lack of documented oversight may give the appearance of impropriety to persons within and outside of the Inspection Service and reduce confidence in the disciplinary process. Independence, fairness, and consistency should be of paramount consideration in any disciplinary process. By addressing the issues identified in this report, Inspection Service management may gain a valuable opportunity to increase confidence and prevent negative perceptions related to the Inspection Service disciplinary process.

Recommendation

We offer the following recommendations.

The chief postal inspector should:

1. To the maximum extent possible, direct the Office of Inspections to conduct all internal investigations. During peak workload periods, direct the Office of Inspections to assign internal investigations involving less serious offenses to field inspectors from different divisions than the subjects being investigated.

**Management's
Comments**

The deputy chief inspector, Professional Standards and Resource Development, stated that, beginning in FY 2001, the Office of Inspections will conduct all serious internal investigations for nonbargaining employees. Further, less serious offenses by nonbargaining employees may be assigned during peak workload periods to officials from divisions other than the division where the subject is domiciled.

Recommendation

2. Establish management controls to ensure that all potential violations of the Inspection Service Code of Conduct are reported to the Office of Inspections as required.

**Management's
Comments**

The deputy chief inspector stated that the Chief Postal Inspector would issue instructions to all managers reinforcing the importance of the Code of Conduct and the obligation to promptly report all potential violations to the Office of Inspections.

Recommendation	3. Direct the Office of Inspections to conduct internal investigations of all allegations of potentially serious violations of the Inspection Service Code of Conduct.
Management's Comments	The deputy chief inspector stated that the chief postal inspector would issue instructions requiring the Office of Inspections to conduct internal investigations of all allegations of potentially serious violations of the Inspection Service Code of Conduct.
Recommendation	4. Direct the Office of Inspections to maintain active oversight of internal investigations assigned to field inspectors. Direct the Office of Inspections to consistently and thoroughly document oversight of internal investigations assigned to field inspectors in case files.
Management's Comments	The deputy chief inspector stated that the Inspection Service implemented a new process assigning Office of Inspections personnel as coordinators of internal investigations conducted by the field. Coordinators are responsible for ensuring all case management criteria are followed, all reporting requirements are met, and the investigative report thoroughly addresses the allegations. Additionally, the Office of Inspections will facilitate the issuance of a policy update clarifying their oversight of internal investigations assigned to the field.
Evaluation of Management's Comments	Management's comments are responsive to our recommendation and the actions, taken or planned, should correct the issues identified in this report.

**Additional
Management
Comments**

The deputy chief inspector provided additional comments to the report. Specifically, the deputy chief inspector stated that there was no correlation between the audit objectives and a review of the internal investigative process. The deputy chief inspector further noted that internal investigations are not a part of the disciplinary process outlined in the Employee Labor Manual and Inspection Service Manual.

**Evaluation of
Management's
Comments**

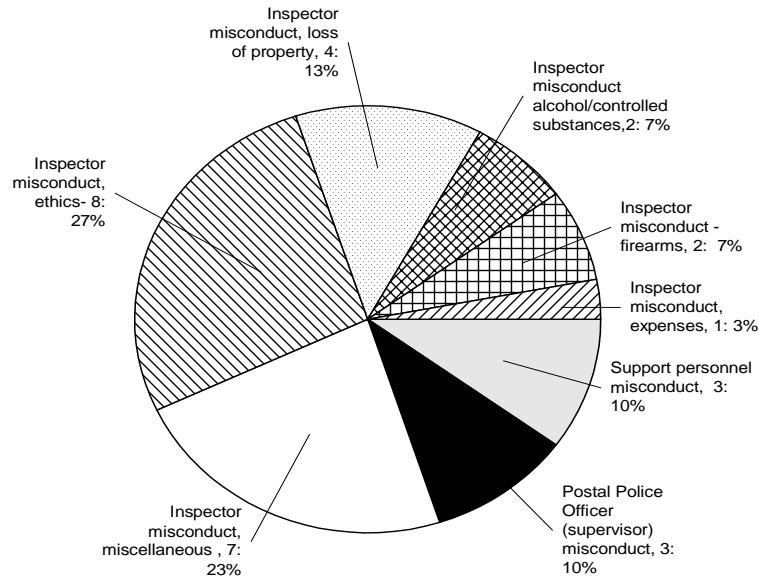
We disagree that there is not a correlation between the audit objectives and a review of the internal investigative process. As identified in the report, our audit objectives were formulated to address observations contained in the OIG Management Advisory Report, Handling of Internal Affairs Cases, Report Number OV-MA-98-001, March 1998. This report identified several deficiencies in the internal investigative process.

We further disagree that internal investigations are not a part of the disciplinary process and, therefore, should not have been included in the scope of the audit. We agree that the Employee Labor Manual and Inspection Service Manual referenced by management identify disciplinary actions rather than the internal investigative process. However, the disciplinary process identified in the manuals would not exist without an allegation and subsequent internal investigation or fact-finding of that allegation. Further, we identified to management throughout the audit that the scope of our review was the internal investigative process rather than the adjudication of disciplinary measures. The audit scope, as well as the objectives, were formulated to address observations contained in the OIG Management Advisory Report Number OV-MA-98-001.

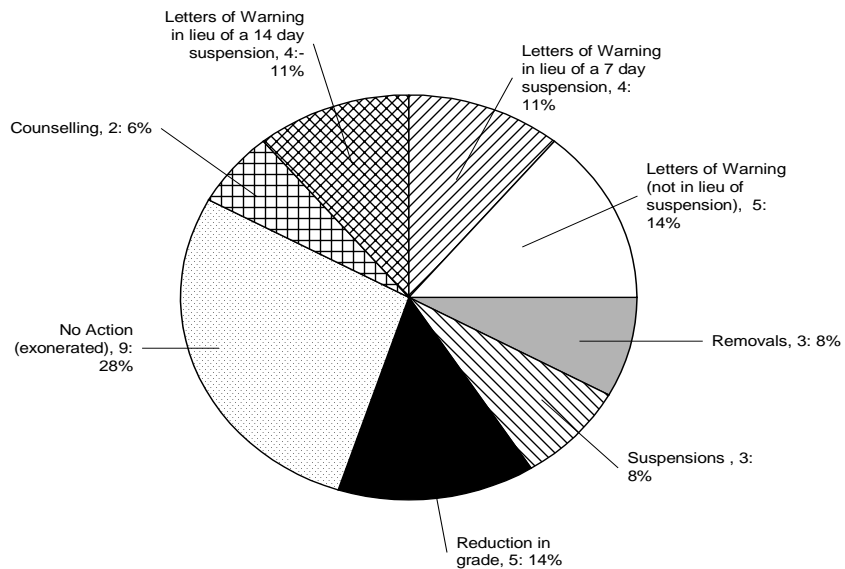
APPENDIX A

INTERNAL INVESTIGATIONS CLOSED DURING FY 1999 BY TYPE OF ALLEGATION AND FINAL DISPOSITION

Internal Investigations by Type of Allegation



Internal Investigations by Final Disposition



APPENDIX B. MANAGEMENT'S COMMENTS



UNITED STATES POSTAL INSPECTION SERVICE

PROFESSIONAL STANDARDS AND RESOURCE DEVELOPMENT

September 26, 2000

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

SUBJECT: Draft Audit Report – Postal Inspection Service Disciplinary Process for
Nonbargaining Employees (Report Number OV-AR-00-DRAFT)

The stated overall objective of your subject review was to determine if disciplinary measures were timely and consistently applied throughout the Inspection Service. Your applied methodology was to review investigations of alleged misconduct to determine if they were independently conducted, supported the proposed action, and received adequate management oversight. There seems to be no correlation between the timeliness and consistency of disciplinary measures and the methodology of reviewing the investigative process documented in H-Case files.

While we generally agree with your observations that improvement opportunities exist in our handling of internal investigations, we disagree that the investigations are part of the discipline process. Disciplinary and emergency procedures outlined in Section 650 of the Employee Labor Manual and Section 122.4 of the Inspection Service Manual do not include the investigation as part of the procedures.

The assumption that the investigation is part of the discipline process is flawed. By indicating that the discipline process starts with the investigation, you undermine the principles of independence and fairness that you state should be of paramount consideration in the disciplinary process. We question the accuracy of terming this a discipline review when the stated objective of the review is not addressed in the report.

As to the recommendations relative to conducting internal investigations, we generally agree with the four recommendations and offer the following response.

1. Direct the Office of Inspections to conduct all internal investigations to the maximum extent possible.

Beginning FY 2001, the Office of Inspections will conduct all serious internal investigations for nonbargaining employees. Less serious offenses by nonbargaining employees may be assigned during peak workload periods to AICs or Team Leaders from divisions other than the division where the subject is domiciled.

2. Establish management controls to ensure that all potential violations of the Inspection Service Code of Conduct are reported to the Office of Inspections as required.

The Chief Postal Inspector will issue instructions to all managers reinforcing the importance of the Code of Conduct and the obligation to promptly report all potential violations to the Office of Inspections.

3. Direct the Office of Inspections to conduct internal investigations of all allegations of potentially serious violations of the Inspection Service Code of Conduct.

The Chief Postal Inspector will issue instructions to this effect to the Inspector in Charge of the Office of Inspections.

4. Direct the Office of Inspections to maintain active oversight of internal investigations assigned to field inspectors. Direct the Office of Inspections to consistently and thoroughly document oversight of internal investigations assigned to field inspectors in case files.

On 06-24-00, the Office of Inspections implemented a new process wherein OI inspectors were assigned as field H-Case coordinators for any H-Case jacketed to a field inspector. The coordinator is responsible for ensuring all case management criteria is followed, all reporting requirements are met, and the investigative report thoroughly addresses the allegations. Office of Inspections will facilitate the issuance of a Policy Update clarifying their oversight of internal investigations assigned to the field.



Delmar P. Wright, Ph.D.
Deputy Chief Inspector

cc: K. Weaver