

Follow-Up to Nationwide Employee Background Screening

AUDIT REPORT

Report Number 23-028-R23 | September 26, 2023



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Highlights

Background

The Postal Service conducts background screenings to gather sufficient information about a person's character, reputation, and allegiance to the United States to determine eligibility for appointment or suitability for retention as a Postal Service employee. Postal Service positions require a National Agency Check with Inquiries (NACI), which is the minimum background check needed for Postal Service employment.

An effective background screening process decreases the risk that employees do not meet Postal Service suitability requirements, which may lead to hiring unreliable employees and put Postal Service assets at risk. Starting in March 2020, the Postal Service implemented several changes to improve compliance with background screening requirements, including initiating NACI investigations for all applicants prior to hiring them, integrating the NACI investigations process into the eCareer system, integrating the NACI Certificate of Completion into the electronic Official Personnel Folder (eOPF) application, and issuing policy reiterating employee hiring suitability requirements.

What We Did

Our objective was to evaluate whether corrective actions taken by the Postal Service in response to prior recommendations in the U.S. Postal Service Office of Inspector General's *Nationwide Employee Background Screening* audit report (Report No. HR-AR-19-003) sufficiently addressed the issues identified and further assess the efficiency of background screening processes.

What We Found

Postal Service management's corrective actions in response to our prior audit were effective and allowed the Postal Service to sufficiently conduct background screenings in accordance with requirements for employees hired in fiscal years (FY) 2021 and 2022. We reviewed a sample of 215 employees hired in FYs 2021 and 2022 and found completed background screenings for 214 (99 percent) employees. However, management did not ensure 88 of 215 (41 percent) NACI Certificates of Completion were documented in employees' eOPFs during FYs 2021 and 2022, as required. Having readily available access to employees' NACI certificates verifies for management that employees were cleared and deemed suitable for employment.

Recommendation

We recommended management direct appropriate human resources personnel to upload the 88 NACI Certificates of Completion that were not documented in employees' eOPFs.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 26, 2023

MEMORANDUM FOR: GARY BARKSDALE
CHIEF POSTAL INSPECTOR

SIMON STOREY
VICE PRESIDENT, HUMAN RESOURCES

A handwritten signature in black ink, reading "Lazerick C. Poland", is positioned below the recipient information.

FROM: Lazerick Poland
Acting Deputy Assistant Inspector General
for Finance, Pricing, and Human Capital

SUBJECT: Audit Report – Follow-Up to Nationwide Employee Background
Screening (Report Number 23-028-R23)

This report presents the results of our Follow-Up audit to Nationwide Employee Background Screening.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Vasilios Grastos, Acting Director, Human Capital Management, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the Follow-Up to Nationwide Employee Background Screening (Project Number 23-028). Our objective was to evaluate whether corrective actions taken by the Postal Service in response to prior recommendations in the U.S. Postal Service Office of Inspector General's (OIG) *Nationwide Employee Background Screening* audit report (Report Number HR-AR-19-003, Issued August 22, 2019) sufficiently addressed the issues identified and further assess the efficiency of background screening processes. See [Appendix A](#) for additional information about this audit.

Background

As part of the hiring process, the Postal Service conducts background screenings to gather sufficient information about a person's character, reputation,

“As part of the hiring process, the Postal Service conducts background screenings to gather sufficient information about a person's character, reputation, and allegiance to the United States to determine eligibility for appointment or suitability for retention as a Postal Service employee.”

and allegiance to the United States to determine eligibility for appointment or suitability for retention as a Postal Service employee. The type of position determines the level of clearance required. Most Postal Service positions are classified as low risk and require a National Agency

Check with Inquiries (NACI), which is the minimum background check required for Postal Service

employment. The U.S. Postal Inspection Service (USPIS) is responsible for conducting the NACI investigations via its Security Investigations Service Center (SISC).

The NACI screenings consist of checks and searches from several federal agencies' investigations databases, including the Office of Personnel Management, Department of Defense, and the Federal Bureau of Investigation. The NACI screening also includes other checks, such as employment activity for the past five years, local criminal convictions, education, and residences. The SISC documents NACI determinations on Certificates of Completion, which must be filed in employees' electronic Official Personnel Folders (eOPF).

“During fiscal years 2021 and 2022, the Postal Service hired 348,819 employees. During that period, SISC adjudicated a total of 493,651 NACI investigations.”

During fiscal years (FYs) 2021 and 2022, the Postal Service hired 348,819 employees (see [Table 1](#)). During that period, SISC adjudicated¹ a total of 493,651 NACI investigations (see [Table 2](#)). These adjudications include investigations conducted for applicants who were ultimately not hired or hired in a different fiscal year.

Table 1. Nationwide Employees Hired in FY 2021 and FY 2022

Fiscal Years	Employees Hired
2021	189,603
2022	159,216
Total	348,819

Source: Web Complement Information System.

¹ Adjudication involves making a final determination on the result of a NACI investigation, including whether it is favorable or unfavorable.

Table 2. Number of NACI Investigations Conducted by the SISC

Fiscal Years	NACIs Adjudicated
2021	274,255
2022	219,408
Total	493,663

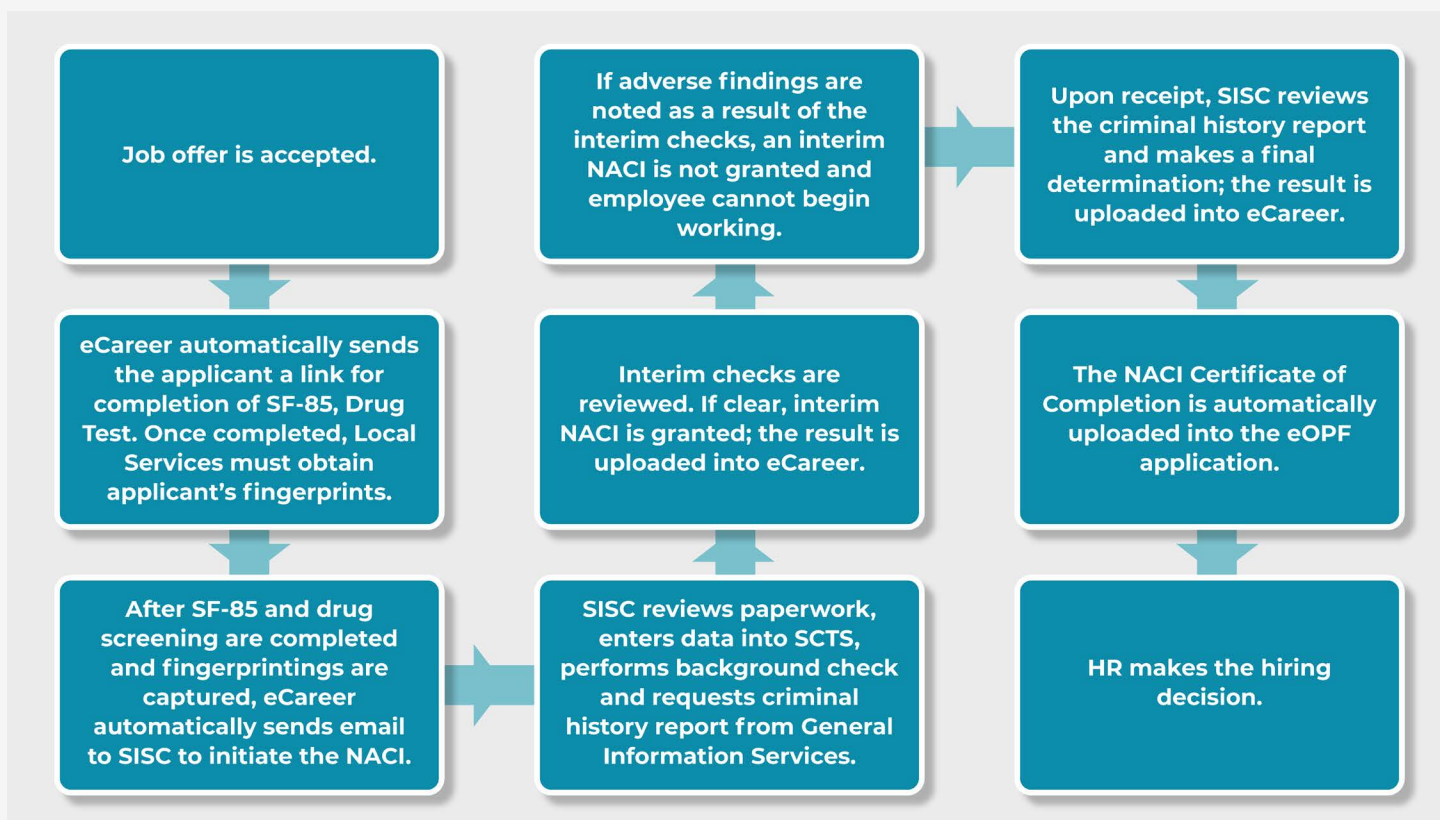
Source: Security Clearance Tracking System (SCTS).

In response to a prior OIG audit on *Nationwide Background Screening*, Postal Service management implemented several changes, starting in March 2020, to improve compliance with background screening requirements that included:

- Replacing pre-screening background checks for all conditional job offers with NACI investigations and incorporating them into the hiring process.

- Integrating the NACI investigations process into the eCareer² system, which allowed eCareer to automatically send an email to SISC to initiate the NACI investigation. This eliminated the need for Local Services³ officials to request and track NACI investigations to help ensure an investigation is initiated for applicants prior to hiring (see Figure 1).
- Requiring either an interim NACI or a favorable NACI determination in order to advance in the hiring process.
- Creating a “Hiring Summary Dashboard” to provide visibility of candidates pending NACI actions with SISC.
- Conducting NACI Certificate of Completion monitoring and reviews for all Local Services areas to determine whether the certificates were documented in the applicable eOPFs.

Figure 1. Current Detailed Background Screening Process



Source: Human Resources Shared Services Center (HRSSC), USPIS, and OIG analysis.

² eCareer is the Postal Service's applicant tracking system, which manages applications and tracks the application status.

³ District Human Resources (HR) offices that support and coordinate personnel activities. On August 7, 2020, the postmaster general announced a reorganization that changed the reporting structure for Postal Service area support functions, including HR. The area and district HR managers now report to the vice president, human resources.

- Implementing the integration of NACI Certificate of Completion documentation into the eOPF application, which included certificates being electronically transferred to employees' eOPF.
- Issuing a policy memo reiterating employees must undergo a NACI review and receive a favorable NACI determination in order to meet minimum hiring suitability requirements.

Another improvement to the background screening process allowed applicants to be granted an interim NACI, which, if approved, permitted them to start working while the final NACI investigation was in process. The interim NACI checks include:

- Prior and current investigative records in Office of Personnel Management and Department of Defense databases.
- Federal Bureau of Investigations fingerprint check.
- Terrorist and Subversive Activities, researched through the National Crime Information Center Wants/Warrants and related databases.
- Department of Defense Clearance and Investigations Index.
- Investigative History File.

Finding #1: Background Screening Improvements

Postal Service management's corrective actions in response to our prior audit were effective and allowed the Postal Service to sufficiently conduct background screenings, as required, for employees hired in FYs

“We found the SISC properly completed background screenings for 214 of 215 (99 percent) employees.”

2021 and 2022. We reviewed a sample of 215 employees hired in FYs 2021 and 2022 to determine whether a valid background screening had been completed.

We found the SISC properly completed background screenings for 214 of 215 (99 percent) employees. For the investigation not properly completed, the

employee was initially granted a valid interim NACI prior to beginning work in FY 2021, but it was subsequently rescinded because SISC personnel did not request a local criminal report when the interim NACI was granted due to oversight. When SISC personnel discovered the oversight and rescinded the interim NACI, the employee was already separated, and SISC did not order the criminal report and complete the NACI investigation.

HR management is responsible for initiating a NACI investigation for newly hired employees.⁴ Either an interim NACI or a final NACI determination is required to continue through the hiring process.

Applicants who are granted an interim NACI are allowed to begin working while the full NACI investigation is being completed.

Postal Service management's corrective actions improved the

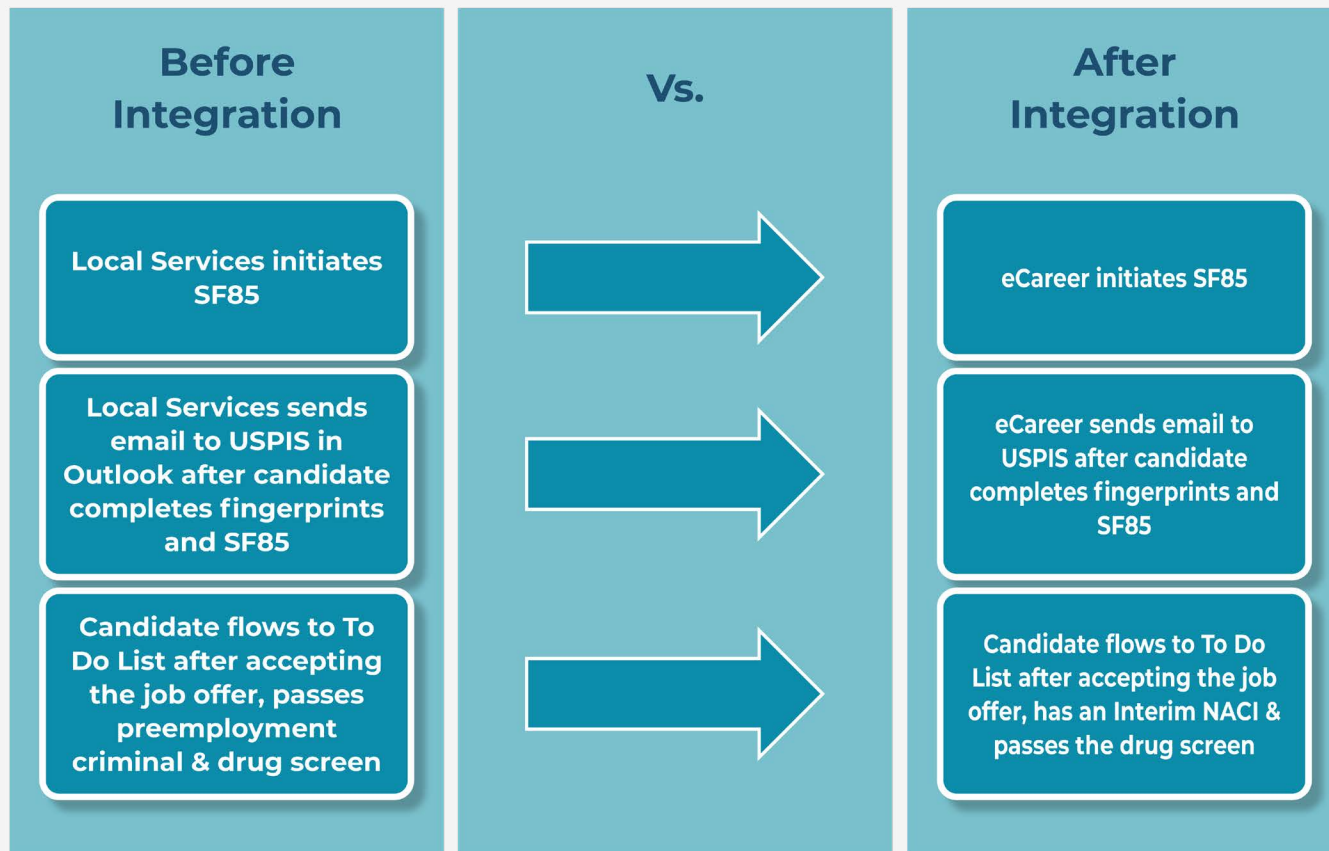
background screening process by establishing additional controls, including an automated system and monitoring controls, to ensure compliance with background screening requirements. Specifically, the NACI investigation process was integrated into eCareer, eliminating the reliance on Local Services to send NACI requests to the SISC.

The integration allowed eCareer to prevent applicants from advancing in the hiring process until the SISC granted either an interim NACI or a favorable NACI. Also, the integration enabled eCareer to automatically prompt applicants who accepted a conditional job offer to complete a Standard Form (SF) 85, *Questionnaire for Non-Sensitive Positions*, and provide fingerprints to continue the application process. Once eCareer verifies that applicants have completed the SF 85 and their fingerprints have been captured, the system generates an email requesting the NACI investigation (see [Figure 2](#)).

“Applicants who are granted an interim NACI are allowed to begin working while the full NACI investigation is being completed.”

⁴ Handbook EL-312, *Employment and Placement*, Section 561, page 139, June 2021.

Figure 2. Background Screening Process Improvements



Source: HRSSC.

In addition to integrating the NACI process into eCareer, HR management also issued a policy memo⁵ to Local Services personnel in July 2020 as a reminder of their responsibilities in processing employment actions as they relate to the background screening process. The memo reiterated that the NACI is the minimum background check required for Postal Service employment.

An effective background screening process decreases the risk that employees do not meet Postal Service suitability requirements, which may lead to hiring unreliable employees and put Postal Service assets at risk. Management’s corrective actions incorporating the NACI process into eCareer, issuing policy guidance, and implementing biweekly reviews resulted in increased compliance with and effectiveness of the background screening process. Therefore, we are not making a recommendation.

Finding #2: Maintaining Adequate Documentation

Local Services management did not always ensure that NACI Certificates of Completion were documented in employees’ eOPFs during FYs 2021 and 2022, as required. Management took corrective actions to resolve similar issues in response to our prior audit, including implementing quarterly reviews of eOPFs to ensure they contained the applicable certificates and integrating the NACI and eOPF systems to allow for automatic uploads of the certificates into the appropriate employees’ eOPFs. However, this issue continued during FYs 2021 and 2022. Of 215 sampled employees, 88 (41 percent) did not have a corresponding certificate documented in their eOPFs (see Table 3). The SISC issued those certificates prior to the integration of the NACI and eOPF systems, which was implemented in July 2022.

5 Memorandum issued July 28, 2020, by the vice president, human resources, regarding human resources responsibilities in processing employment actions.

Table 3. NACI Certificates of Completion in eOPF

NACI Certificate of Completion in eOPF?	Before Integration	After Integration	Total Count
	Count	Count	Count
Yes	116	11	127
No	88	0	88
Total	204	11	215

Source: SCTS and HR eOPF Viewer application.

Additionally, the system integration that allowed for automatic upload of NACI Certificates of Completion did not always function as designed. Specifically, there was a delay in the automatic upload of 11 of the 215 (5 percent) certificates issued after the NACI-eOPF system integration due to a programming issue. Management stated they remediated the issue February 16, 2023. As a result, the 11 certificates were uploaded to employees' eOPFs after the issue was remediated.

To assess the effectiveness of the remediation, we reviewed 85 randomly selected applicants who had NACI investigations that were adjudicated between May 14 and 19, 2023. At the time of our review, we found 65 of those 85 applicants had been hired and had an established eOPF, each containing the appropriate certificates, which indicated the integration was working as designed. Because the remaining 20 applicants had not been hired, they did not have an established eOPF or need a certificate on file.

The NACI Certificates of Completion are necessary for the Human Resources Shared Services Center (HRSSC) to finalize its determination for employment suitability. A certificate is prepared and forwarded to the submitting office for favorably adjudicated NACI investigations. Before the NACI-eOPF system integration, hiring officials manually sent the certificates to the HRSSC to be scanned into

the employee's eOPF. After the integration was implemented, the process was automated to have certificates automatically uploaded into the eOPF as

“The NACI Certificates of Completion are necessary for the Human Resources Shared Services Center to finalize its determination for employment suitability.”

soon as SISC issues them. In cases where an unfavorable determination is made, SISC will notify the requester, who, in turn, will notify the appropriate HR manager.⁶

The 88 certificates, all of which were issued before the NACI-eOPF system integration, were not uploaded into the employee's eOPF

because applicable district officials did not ensure they were sent to the HRSSC for scanning. As noted in our prior audit, district officials were not consistently sending the certificates to the HRSSC, and there was no formal process to ensure that the districts validated that certificates were uploaded. However, because of the system integration, the certificates are now automatically uploaded into the employee's eOPF. As such, the Postal Service no longer relies on the districts for adding certificates manually into the employees' eOPFs.

When NACI Certificates of Completion are not maintained in employees' eOPFs, the Postal Service cannot readily determine whether the NACI investigation was conducted for hired employees and whether the employees were suitable for employment.

Recommendation #1

We recommend the **Vice President, Human Resources**, direct appropriate human resources personnel to upload the 88 National Agency Check with Inquiries Certificates of Completion that were not documented in employees' electronic Official Personnel Folders.

6 Handbook EL-312, Section 564, page 141.

Management's Comments

Management agreed with the report's findings and recommendation.

Regarding recommendation 1, management stated it has uploaded 86 NACI certificates in the eOPF application and one Moderate Background Investigation certificate. One employee did not have a NACI certificate because the interim NACI was rescinded.

Evaluation of Management's Comments

The U.S. Postal Service OIG considers management's comments responsive to the recommendation in the report, and the corrective action should resolve the issue identified in the report. Specifically, management provided sufficient support to show that the missing NACI certificates were uploaded into the eOPF application and that one NACI was rescinded. Therefore, we consider recommendation 1 closed with the issuance of this report.

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit included an assessment of the background screening process as it relates to Postal Service employees hired during FYs 2021 and 2022. Our assessment included verifying whether Postal Service management properly conducted a background screening for hired employees, including granting an interim NACI prior to hiring, if applicable, and whether management documented a NACI Certificate of Completion in the appropriate eOPFs. Also, we assessed whether corrective actions taken in response to our prior background screening audit report were sufficient.

We identified a universe of 348,819 employees⁷ who were hired during FYs 2021 and 2022, where the effective date of the hiring action was between October 1, 2020, and September 30, 2022. We designed a statistical stratified sample of those employees, stratified by FY. To achieve a 95 percent confidence level, we selected 215 employees, including 117 employees hired during FY 2021 and 98 hired during FY 2022.

To accomplish our objective, we:

- Reviewed the selected sample of hired employees to evaluate the compliance, efficiency, and effectiveness of the background screening process as it related to those employees.
- Reviewed the eOPF of each sampled employee to verify whether the applicable NACI Certificate of Completion had been uploaded.
- Reviewed the results of the quarterly NACI Certificate of Completion and the bi-weekly unfavorable NACI reviews conducted by Postal Service human resources officials.
- Verified whether a NACI Certificate of Completion was uploaded into the eOPF of a nonstatistical random sample of applicants who received a NACI investigation that was adjudicated between May 14 and May 19, 2023, to assess

the effectiveness of the NACI and eOPF system integration.

- Interviewed Postal Service headquarters human resources and Inspection Service officials to discuss corrective actions taken in response to our prior background screening audit report and observations noted during our review of sampled employees.

We conducted this performance audit from January through September 2023 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on September 1, 2023, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the Postal Service's background screening process internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and determined that the following two components were significant to our audit objective: control activities and monitoring. We developed audit work to ensure that we assessed these controls. Based on the work performed, we did not identify internal control deficiencies that were significant within the context of our objectives.

We assessed the reliability of background screening data by reviewing existing information and documentation contained within background

⁷ Some employees were hired more than once during our scope period.

screening and personnel systems; performing testing related to the completeness, reasonableness, accuracy, and validity of the data; and interviewing

Postal Service officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Nationwide Employee Background Screening</i>	Assess the U.S. Postal Service's employee background screening process to determine whether individuals selected for employment are suitable to maintain the safety and security of the mail and uphold public trust in the Postal Service.	HR-AR-19-003	8/22/2019	None

Appendix B: Management's Comments



September 18, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Follow-Up to Nationwide Employee Background Screening (23-028-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft report – *Follow-Up to Nationwide Employee Background Screening*.

Management agrees with the findings. The Postal Service's corrective actions in response to our prior audit were effective and allowed the Postal Service to sufficiently conduct background screenings in accordance with requirements for employees hired in fiscal years (FYs) 2021 and 2022.

Following is our comment on the one recommendation.

Recommendation 1:

We recommend the **Vice President, Human Resources**, direct appropriate human resources personnel to upload the 88 National Agency Check with Inquiries Certificates of Completion that were not documented in employees' electronic Official Personnel Folders.

Management Response/Action Plan:

Management agrees with this recommendation. Management has uploaded eighty-six NACI certifications in eOPF and one MBI. One employee did not have a NACI certificate due to the interim NACI was rescinded. **Management provided support for this action and requests this recommendation be closed with issuance of the final report.**

Target Implementation Date: 10/15/2023

Responsible Official: Senior Director, National Human Resources

A handwritten signature in black ink, appearing to read "Simon Storey".

Simon Storey
Vice President, Human Resources

cc: Corporate Audit & Response Management

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UNITED STATES



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