



Office of Inspector General | United States Postal Service

Audit Report

COVID-19 Leave Administration

Report Number 21-032-R21 | June 16, 2021

PAID SICK
LEAVE



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Highlights

Objective

Our objective was to assess the U.S. Postal Service's management of its employees' use of novel coronavirus disease (COVID-19) leave under the Families First Coronavirus Response Act (FFCRA).

In March 2020, the president declared COVID-19 pandemic to be a national emergency and signed the FFCRA into law, creating two new types of leave:

- Up to 80 hours of emergency paid sick leave for specific qualifying reasons.
- Public health emergency leave, which amended the Family Medical Leave Act (FMLA) to allow employees to take up to 12 weeks of leave for an additional qualifying reason related to the closure of a child's school or place of care.

The FFCRA was effective from April 1 through December 31, 2020. Any leave taken prior to April 1, 2020, remained subject to Postal Service rules in place at that time. The legislation was intended to ensure that workers were not forced to choose between their paychecks and public health measures. On April 7 and May 22, 2020, the U.S. Office of Personnel Management (OPM) released employee leave provisions of the FFCRA.

Although the FFCRA expired on December 31, 2020, the Postal Service continued to allow liberal leave usage for employees who had a sickness related to COVID-19. On March 11, 2021, the American Rescue Plan Act was signed into law. This Act is similar to the FFCRA in that it created a new type of leave. Effective March 12, 2021, and continuing through September 30, 2021, the American Rescue Plan Act provides employees with up to 600 hours of paid leave. The OPM issued guidance on using the new leave authority on April 29, 2021.

The Postal Service faced significant unforeseen and uncontrollable challenges due to the COVID-19 pandemic, including higher package volumes, employee absenteeism, employee safety, and unanticipated expenses.

Since reporting its first confirmed COVID-19 case in February 2020, the Postal Service took several quick, decisive actions focused on employee safety, including:

- Creating the COVID-19 Command Response Team at Postal Service Headquarters.
- Providing personal protective equipment, enhancing daily procedures, and updating the layout and operations of facilities to mitigate the risk of employees contracting or spreading COVID-19.
- Creating a centralized website for employees with COVID-19 instructions and guidance.
- Developing agreements with the unions for additional paid leave for some non-career employees.

Findings

While we recognize the challenges facing the Postal Service during the pandemic, we identified three areas of improvement for future implementation of leave administration because of the Postal Service's management of COVID-19 leave under FFCRA.

First, facility managers did not always maintain a completed Postal Service (PS) Form 3971, Request for Notification of Absence, or the additional required documentation to support emergency paid sick leave and expanded FMLA. We found 185 of 192 (96 percent) randomly sampled employees were either missing documentation or documentation was not properly completed.

“Although the FFCRA expired on December 31, 2020, the Postal Service continued to allow liberal leave usage for employees who had a sickness related to COVID-19.”

The 185 employees accounted for over \$900,000 in unsupported COVID-19 leave costs.

COVID-19 pandemic challenges prevented Postal Service facility managers from consistently following the procedures regarding the authorization of employees using COVID-19-related leave. By not having appropriate supporting documentation to substantiate that employees were on authorized leave, we estimated the Postal Service's unsupported COVID-19 leave costs nationwide totaled \$12.4 million.

Second, the Postal Service responded to the FFCRA by providing guidance to its supervisors and configuring the payroll systems to ensure employees were paid properly. However, the Postal Service was not always able to accurately track the rural carriers' COVID-19 administrative time because the payroll system was limited in the number of leave codes available within the administrative leave category.

Third, the Postal Service was not always able to monitor FFCRA leave limits. Employees who used COVID-19-related leave did not always comply with FFCRA guidelines. There were nearly 12,000 instances of employees who exceeded COVID-19-related leave limits. Specifically, the Postal Service identified and made over 8,300 payroll adjustments for employees who exceeded COVID-19-related leave limits. We found nearly 3,600 additional employees who still needed payroll adjustments because they exceeded leave limits. Although the Postal Service began automating payroll system controls in July 2020, it did not fully implement controls until September 2020, nearly five months after the FFCRA was effective. Instead, facility supervisors were instructed to manually review FFCRA employee leave limits.

COVID-19 and the corresponding FFCRA were unexpected and unusual occurrences. However, with the American Rescue Plan Act and potential for future legislation related to COVID-19, or with the occurrence of other unexpected or unusual events, it is critical for the Postal Service to ensure consistent communication on the importance of policy requirements and system flexibility to prevent the same or similar issues from reoccurring.

“The Postal Service was not always able to monitor FFCRA leave limits.”

Recommendation

We recommended management:

- Reiterate to managers and supervisors at all levels the importance of policy requirements to manage and document leave, including pandemic-related leave.
- Modify the system to allow for all employees to digitally complete PS Form 3971.
- Modify the payroll systems or develop another methodology for accurate recording of administrative leave for rural carriers.
- Reiterate Postal Service policy to all employees for consistent, nationwide application for monitoring leave to not exceed allowable leave limits.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

June 16, 2021

MEMORANDUM FOR: SIMON M. STOREY
VICE PRESIDENT, HUMAN RESOURCES

CARA M. GREENE
VICE PRESIDENT, CONTROLLER

A handwritten signature in black ink, which appears to read "Jason M. Yovich", is positioned above the typed name.

FROM: Jason M. Yovich
Deputy Assistant Inspector General
for Supply Management and Human Resources

SUBJECT: Audit Report – COVID-19 Leave Administration
(Report Number 21-032-R21)

This report presents the results of our audit of COVID-19 Leave Administration.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact John Cihota, Director, Human Resources & Support, 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 COVID-19 Leave Administration (Project Number 21-032). Our objective was to assess the U.S. Postal Service's management of its employees' use of novel coronavirus disease (COVID-19) leave under the Families First Coronavirus Response Act (FFCRA). See [Appendix A](#) for additional information about this audit.

Background

In March 2020, the president declared the COVID-19 pandemic to be a national emergency. Subsequently, on March 18, 2020, the FFCRA was signed into law and created two new leave types:

- Up to 80 hours of emergency paid sick leave for specific qualifying reasons.
- Public health emergency leave, which amends the Family Medical Leave Act (FMLA) to allow employees to take up to 12 weeks of leave for an additional qualifying reason related to the closure of a child's school or place of care.

The FFCRA was effective from April 1 through December 31, 2020. Any leave taken prior to April 1, 2020, remained subject to Postal Service rules in place at that time. The legislation was intended to ensure that workers were not forced to choose between their paychecks and public health measures. If an employee requested leave for reasons related to COVID-19, such leave was treated as scheduled (as opposed to unscheduled) leave. On April 7 and May 22, 2020, the U.S. Office of Personnel Management (OPM)¹ released employee leave provisions of the FFCRA.

In addition to keeping the workforce safe, the Postal Service provided COVID-19-related administrative leave² for employees who had to quarantine due to COVID-19 so that these employees would not have to take their own sick or annual leave or for part-time employees with limited leave balances. This

administrative leave was in addition to the 80 hours of emergency sick leave authorized in FFCRA.

Although the FFCRA expired on December 31, 2020, the Postal Service continued to allow liberal leave usage for employees who had a sickness related to COVID-19. Certain categories of non-career employees are provided up to 80 hours of paid leave as the COVID-19 pandemic continues. The circumstances in which employees may use sick leave for dependent care have been expanded to include instances in which employees must care for a child because of daycare and/or school closures, or the unavailability of a child's primary caregiver because of COVID-19.

On March 11, 2021, the American Rescue Plan Act, which is similar to the FFCRA in that it created a new leave type, was signed into law. This leave is available through September 30, 2021. The American Rescue Plan Act provides employees with up to 600 hours of paid leave. The leave is available to all eligible employees, career and non-career, who are unable to work due to one of eight qualifying reasons³ related to COVID-19.

The American Rescue Plan Act requires OPM to issue guidance to federal agencies regarding how the leave is to be administered. Since OPM did not issue guidance on using the new leave authority until April 29, 2021, the Postal Service developed interim guidance on administering of the American Rescue Plan Act. The Postal Service plans to update its guidance after OPM issues guidance.

“The legislation was intended to ensure that workers were not forced to choose between their paychecks and public health measures.”

¹ OPM serves as the chief human resources agency and personnel policy manager for the federal government. OPM directs human resources and employee management services, administers retirement benefits, and manages healthcare and insurance program.

² The administrative leave is titled *Other Paid Leave* in the payroll system.

³ For example, if the employee is quarantined or caring for an individual who is quarantined related to COVID-19, caring for a child if the school or place of care has been closed, experiencing COVID-19 symptoms, or obtaining a COVID-19 vaccination or recovering from injury related to immunization.

Leave Policies Promoting Employee Safety

Since reporting its first COVID-19 confirmed case in February 2020, the Postal Service took quick, decisive action focused on employee safety. To lead its pandemic response, the Postal Service created the COVID-19 Command Response Team at Postal Service Headquarters. This senior level, cross-functional team ensured the agency followed directives and guidance from the Centers for Disease Control and Prevention (CDC).⁴ The team members have since returned to their regular duties; however, they remain the key points of contact and continue to meet regularly to discuss COVID-19 in the Postal Service. The Postal Service also provided personal protective equipment, enhanced daily procedures, and updated the layout and operations of facilities to mitigate the risk of employees contracting or spreading COVID-19.

In addition, the Postal Service created a centralized website to provide employees with COVID-19 instructions and guidance. This information included memorandums of understanding,⁵ COVID-19 decision trees,⁶ stand-up talks,⁷ and news link articles.⁸ Further, the Postal Service implemented an agreement with the unions for additional paid leave for Postal Support Employees, City Carrier Assistants, Rural Carrier Associates, and Mail Handler Assistants, before the FFCRA's effective date. See Figure 1 for a timeline of Postal Service events prior to and following FFCRA.

Figure 1. Timeline of Leave Policies Promoting Employee Safety



Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service data.

⁴ CDC serves as the national focus for developing and applying disease prevention and control, environmental health, and health promotion and health education activities designed to improve the health of the people of the U.S.

⁵ A document that records the details of an agreement between the Postal Service and the unions.

⁶ A flow chart for managers and supervisors to follow when an employee is reported as exposed to or is positive with COVID-19.

⁷ Stand-up talks are provided for supervisors to use when preparing to talk to employees. The talks are designed to address impacts specific to an employee group and should be delivered as soon as possible.

⁸ An electronic newsletter that provides current information and updates on business, customers, and employees.

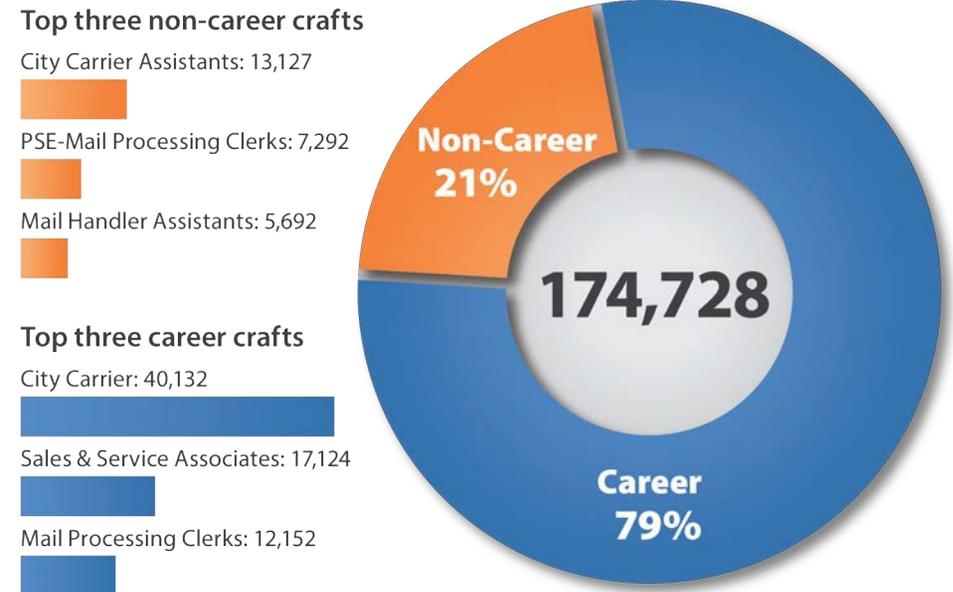
We gained an independent perspective about the Postal Service’s management of COVID-19 leave under the FFCRA by benchmarking three large federal agencies. We did not identify any performance gaps in Postal Service’s COVID-19 leave management; instead, we found examples where the Postal Service proactively managed FFCRA leave while other agencies did not. For example, one agency did not monitor FFCRA leave limits or implement controls in its payroll system to prevent employees from exceeding the threshold limits. Another agency experienced communication issues with their workforce because they did not have a dedicated COVID-19 employee resource page.

“We did not identify any performance gaps in Postal Service’s COVID-19 leave management; instead, we found examples where the Postal Service proactively managed FFCRA leave while other agencies did not.”

Employee Leave Data Analysis During COVID-19

As of December 31, 2020, 174,728 employees⁹ took COVID-19-related leave — 138,376 (79 percent) of them were career employees and 37,357 (21 percent) of them were non-career employees.¹⁰ City carriers, sales and service associates, and city carrier assistants represented the top three employee craft groups who took COVID-19 leave. See Figure 2 for additional details.

Figure 2. COVID-19-Related Leave¹¹ Use - Career vs. Non-Career



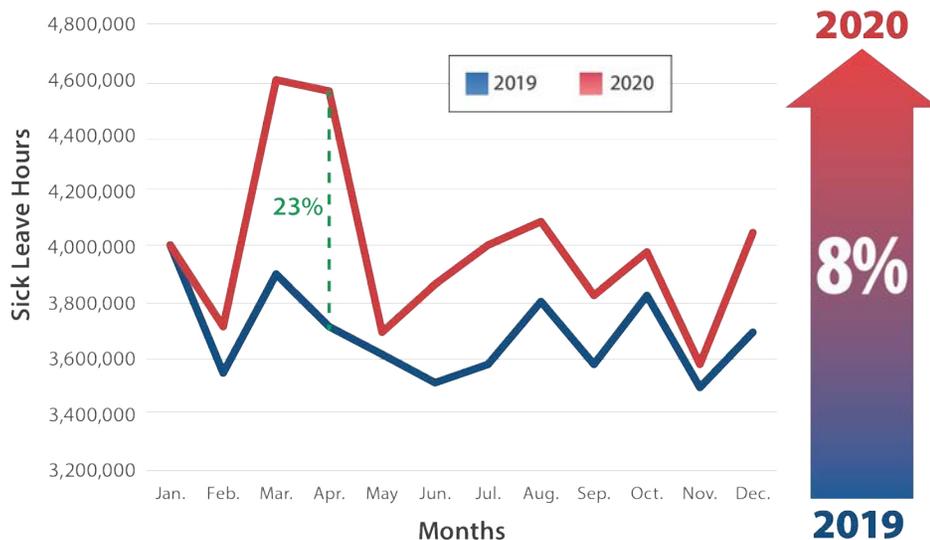
Source: OIG analysis of Postal Service data.

We compared the sick leave¹² hours from January through December 2020 to the same period last year (SPLY) to determine if leave increased due to the COVID-19 pandemic. Postal Service employees used about 8 percent more sick leave hours in calendar year 2020 than in calendar year 2019. Sick leave usage fluctuated from January through December each year. However, there was a 23 percent increase in sick leave hour usage in April 2020 compared to April 2019 (see Figure 3).

⁹ The Postal Service had 675,782 employees, including 493,575 (73 percent) career employees and 182,207 (27 percent) non-career employees nationwide.
¹⁰ There were 1,005 employees whose positions were changed from non-career to career during April 1 through December 31, 2020.
¹¹ Leave includes emergency sick leave and expanded family medical leave.
¹² The analysis does not include FFCRA leave hours.

From its first COVID-19 confirmed case in February 2020 until the FFCRA was effective in April 2020, Postal Service employees used regular sick leave, as needed, for COVID-19-related illnesses. As depicted in Figure 3, sick leave usage started to increase in March 2020; however, after the FFCRA was effective¹³ and employees became aware of this new leave benefit, sick leave usage significantly dropped in May 2020 to a level that was similar to SPLY.

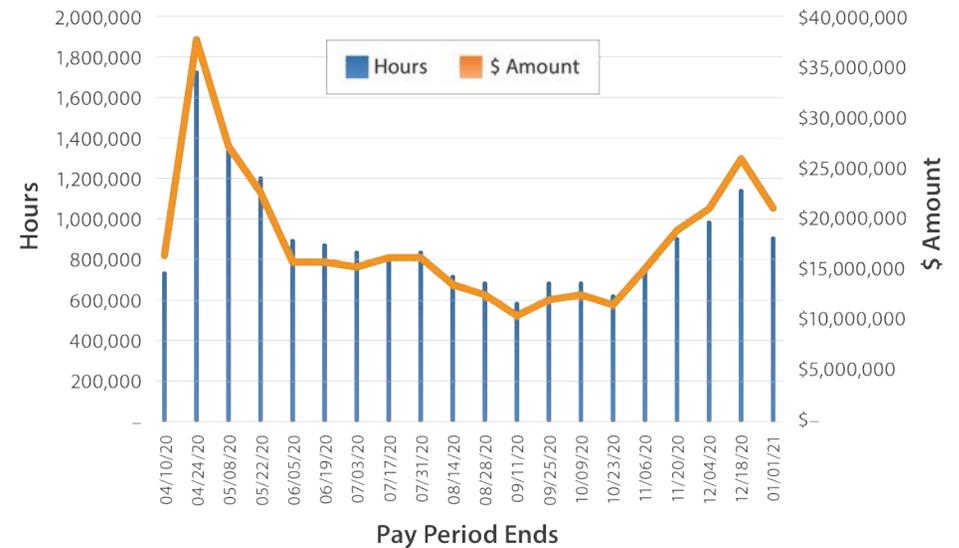
Figure 3. Sick Leave - 2019 vs. 2020



Source: OIG analysis of eFlash¹⁴ data.

Finally, we reviewed the FFCRA leave hours from April to December 2020. The amount of COVID-19-related leave hours and costs peaked in late April and generally decreased until October 2020. However, COVID-19-related leave hours and costs gradually increased through December 2020. See Figure 4 for COVID-19-related leave hours and costs by pay period.

Figure 4. COVID-19-Related Leave Hours and Costs



Source: OIG analysis of Postal Service data.

Finding #1: Leave Documentation

While the Postal Service provided its facility managers with updated COVID-19 timekeeping guidance, they did not always maintain a completed Postal Service (PS) Form 3971, Request for Notification of Absence, or the additional required supporting documentation to support emergency paid sick leave and expanded FMLA. We found 185 of 192 (96 percent) randomly sampled employees were either missing documentation or documentation was not properly completed.¹⁵ The 185 employees accounted for \$909,754 in unsupported COVID-19 leave costs.

¹³ April 1, 2020.

¹⁴ An operating reporting management system that reports data from such functions as delivery, mail processing, and customer service. For example, the system captures payroll data such as workhours, leave, and pay by function.

¹⁵ Of the 185, 41 employees were missing PS Forms 3971, and 144 employees did not have properly completed documentation. Incomplete documentation included incorrect leave codes, missing signatures, incorrect leave hours, or missing additional support documentation.

Postal Service policy¹⁶ states that sick leave entries must be supported by an approved PS Form 3971. The supervisor checklists¹⁷ outline the qualifying reasons and documents used to support COVID-19-related leave. For all qualifying reasons, the employee was required to provide the following¹⁸ for each leave type:

- Emergency paid sick leave – the employee’s name, date for which leave is requested, qualifying reason for leave, and employee statement explaining why the employee is unable to work.
- Expanded family and medical leave – the employee’s name, date for which leave is requested, qualifying reason for the leave (care for child), name of child being cared for, name of facility that has closed, and employee statement explaining no other suitable person will be caring for the child.

“The Postal Service has an opportunity to reduce the risk of not maintaining adequate support for employee leave by automating the overall leave process.”

During the COVID-19 pandemic, the Postal Service faced unforeseen and uncontrollable challenges, including higher package volumes and employee absenteeism. The Postal Service’s primary focus on granting leave during the COVID-19 pandemic was to protect its employees’ health and safety. Therefore, COVID-19 pandemic challenges prevented Postal Service facility managers from consistently following the procedures in place regarding the authorization of employees using COVID-19-related leave. Additionally, early in the pandemic, many facility managers were confused on the correct leave type to grant employees, as guidance changed frequently.

In addition, facility managers had to keep mail moving while maintaining employee safety. This included distributing personal protective equipment, implementing measures at retail and mail processing facilities to ensure appropriate social distancing, providing carriers guidance on social distancing, changing work practices and processes while delivering the mail, and implementing a liberal leave policy. Additionally, although the Postal Service has automated most of the leave process on PS Form 3971, a physical signature by the employee and supervisor on a paper document is still required to officially authorize leave.

The Postal Service has an opportunity to reduce the risk of not maintaining adequate support for employee leave by automating the overall leave process. The benefits of a paperless leave system would eliminate the paper cost, reduce the expense of managing and storing documents, and provide for organized and available files. For example, the pandemic resulted in an unanticipated expense of \$359.7 million,¹⁹ or about 18 million hours in COVID-19-related leave costs. Automation offers an opportunity to reduce risk and expenses of managing leave under the American Rescue Plan Act and other legislation that may be issued.

By not having appropriate supporting documentation to substantiate that employees were on authorized leave, we estimated the Postal Service’s unsupported leave costs²⁰ nationwide totaled \$12,381,178.²¹ Furthermore, the time spent filing, securing, organizing, and searching for paper documents is time that could be spent on other priorities.

Recommendation #1

We recommend the **Vice President, Human Resources**, reiterate to managers and supervisors at all levels, the importance of policy requirements to manage and document leave, including pandemic-related leave.

¹⁶ Handbook F-21, *Time and Attendance*, Section 330 Sick Leave, February 2016.

¹⁷ FFCRA Emergency Paid Sick Leave and FFCRA Expanded Family and Medical Leave Supervisor Checklists.

¹⁸ These additional requirements may be documented on the PS Form 3971.

¹⁹ April 1 through December 31, 2020.

²⁰ Considered an unsupported questioned cost. This a subset of questioned costs that are called into question because of missing or incomplete documentation, or because of failure to follow required procedures.

²¹ We added the sampled unsupported COVID-19 leave cost of \$909,754 and the projected unsupported COVID-19 leave cost of \$11,471,424 for a total of \$12,381,178.

Recommendation #2

We recommend the **Vice President, Human Resources**, in conjunction with the **Vice President, Technology Applications**, modify the system to allow for all employees to digitally complete Postal Service Form 3971, Request for Notification of Absence.

Finding #2: Tracking and Monitoring Leave

The Postal Service responded to the FFCRA by providing guidance to its supervisors and configuring the payroll systems to ensure employees were paid properly. The guidelines provided leave codes and leave limits supervisors should enter in the payroll systems for the different types of FFCRA leave. The FFCRA allows up to 80 hours of emergency paid sick leave and 12 weeks of expanded family and medical leave. In addition, the Postal Service provided COVID-19-related administrative leave²² for employees that had to quarantine due to COVID-19. This administrative leave was in addition to the 80 hours of emergency sick leave authorized in the FFCRA. However, the Postal Service was not always able to accurately track rural carriers' COVID-19 administrative leave and monitor FFCRA leave limits. These issues occurred because the current payroll system was not sufficiently agile to respond to the changes necessitated by the FFCRA.

Rural Carrier COVID-19 Leave

Even though the Postal Service tailored its systems to meet the FFCRA leave policy by implementing new leave codes, we found that management could not track COVID-19-related administrative leave for rural carriers. The Postal Service reported expenses²³ of \$15.2 million, or about 678,000 hours in total COVID-19 related administrative leave for employees. For example, the Postal Service separately identified COVID-19-related costs for city carriers, mail processing clerks, and sales and service associates. However, the Postal Service

did not specifically identify COVID-19-related administrative leave expenses for rural carriers. Rather, rural carrier COVID-19-related administrative costs were comingled with rural carrier emergency sick leave costs totaling over \$12.6 million.

Postal Service guidance²⁴ identifies the COVID-19-related leave codes facility managers should use for proper leave management. Postal Service policy²⁵ states that the integrity of the payroll system depends upon the degree to which timekeepers and supervisors follow instructions.

The payroll system was limited in the number of leave codes available within the administrative leave category to use for COVID-19-related leave.

Postal Service managers stated they did not want to use the remaining codes

in case another emergency occurred. Instead, the supervisors were instructed to enter the leave for rural carriers into the emergency paid sick leave code. As a result of not being able to separate these costs, the Postal Service and its stakeholders did not have the information available to determine whether Postal Service policies were operating as intended. Additionally, the commingling reduced the ability to effectively manage, at a district or higher level, those that may have been abusing the liberal leave the Postal Service offered.

As a result, the Postal Service could not determine the amount of COVID-19-related leave used by rural carrier employees without analyzing each employee's leave individually. This is important because the FFCRA has hour limits for emergency paid sick leave. We estimated that \$1,093,746²⁶ of the

“We found that management could not track COVID-19-related administrative leave for rural carriers.”

22 The administrative leave is entitled *Other Paid Leave* in the payroll system.

23 March 28, 2020, through January 1, 2021.

24 *COVID-19 Timekeeping Quick Reference Guide*, updated June 18, 2020.

25 Handbook F-21, Section 111.3 Systems Integrity.

26 The city carriers COVID-19-related emergency sick and administrative leave totaled \$54.9 million. Of this, COVID-19-related administrative leave accounted for \$5.1 million (or 9 percent) of the total. Since city and rural carriers are similar job functions, we used the 9 percent city carrier rate to determine COVID-19-related administrative leave for rural carriers. We multiplied the rural carrier emergency sick leave (\$12,665,422) by the percentage of city carrier COVID-19-related administrative leave (9 percent). Then we removed \$81,010 in unsupported leave costs for rural carriers we identified in Finding #1 which would constitute double counting.

\$12,665,422 (9 percent) of the emergency paid sick leave should be classified as COVID-19-related administrative leave for rural carriers.²⁷

FFCRA COVID-19 Leave Limits

Employees who used COVID-19-related leave did not always comply with FFCRA guidelines. There was a total of 11,905 instances of employees who exceeded COVID-19-related leave limits.²⁸ Specifically, the Postal Service identified and made 8,331 payroll adjustments for employees who exceeded COVID-19 related leave limits.

“There was a total of 11,905 instances of employees who exceeded COVID-19-related leave limits.”

In addition, in reviewing payroll mainframe data provided by the Postal Service, we found 3,574 additional employees who still needed payroll adjustments because they exceeded leave limits.²⁹

Although the Postal Service began automating payroll system controls in July 2020,³⁰ it did not fully implement controls until September 2020,³¹ nearly five months after the FFCRA was effective. Rather, until the automated

controls were implemented, facility supervisors were instructed to manually review FFCRA employee leave limits. Due to payroll adjustments, we estimated the Postal Service incurred \$892,875 in expenses.³²

COVID-19 and the corresponding FFCRA were unexpected and unusual occurrences. However, with the American Rescue Plan Act and the potential for future legislation related to COVID-19, or with the occurrence of other unexpected or unusual events, it is critical for the Postal Service to ensure consistent communication on the importance of policy requirements and system flexibility to prevent the same or similar issues from reoccurring. In response to another OIG audit related to pandemic-related expenses,³³ management agreed to develop specific policies and procedures to ensure expenses are consistently documented, validated, and tracked for unanticipated crisis or catastrophic events. They anticipate developing the new policy by June 30, 2021; therefore, we are not making a recommendation in this area.

Recommendation #3

We recommend the **Vice President, Controller**, in conjunction with the **Vice President, Human Resources**, and the **Vice President, Delivery Operations**, modify the payroll systems or develop another methodology for accurate recording of administrative leave for rural carriers.

Recommendation #4

We recommend the **Vice President, Human Resources**, reiterate Postal Service policy to all employees for consistent, nationwide application for monitoring leave to not exceed allowable leave limits.

27 Considered other impact, data integrity. Validation of the consistency, accuracy, and completeness of data used by the Postal Service. Data used to support management decisions that are not fully supported or completely accurate. This can be the result of flawed methodology; procedural errors; or missing or unsupported facts, assumptions, or conclusions.

28 For career employees, there was an 80-hour limit for emergency sick leave and a 400-hour limit for the expanded family medical leave. Non-career or part-time employees' hours under the FFCRA were calculated by taking the average of the employee's weekly worked hours for the past six months multiplied by two for emergency sick leave and multiplied by 10 for the expanded family medical leave.

29 As of February 12, 2021.

30 Initial controls were only implemented for city carriers.

31 Final controls were implemented for all employees, to include rural carriers.

32 Considered disbursements at risk, defined as disbursements made where proper Postal Service internal controls and processes were not followed.

33 *Impact of Pandemic on Postal Service Finances* (Report Number 20-257-R21, dated January 4, 2021).

Management's Comments

Management agreed with the findings and recommendations in this report; however, they disagreed with the monetary impact. Management disagreed with the monetary impact calculation because they stated it contained unsupported FFCRA hours not actually paid to employees and, thus, did not require support. Moreover, management believes the PS Forms 3971 deemed unsupported do meet their necessary criteria. Finally, they stated the OIG had months to fully analyze the data and compute the monetary impact and management was not afforded any time to analyze the sample data and correct any misunderstandings.

Regarding recommendation 1, management will issue guidance to managers and supervisors at all levels reiterating the importance of policy requirements and their responsibilities to manage and document leave, including pandemic-related leave. The target implementation date is August 30, 2021.

Regarding recommendation 2, management will work to modify eRMS to allow for digital completion of PS Form 3971. The target implementation date is September 30, 2023. Since the implementation date is over a year from the date of management's comments, in subsequent correspondence, management provided interim milestones outlining their plan for implementing the recommendation. These interim milestones included discussing the system change design with the development team starting no later than June 30, 2021; securing funding by October 31, 2021; and developing a timeline for completing the modifications by December 31, 2021.

Regarding recommendation 3, discussions and research are underway to expand the DACA code from one character to two characters, allowing for future work and leave hours to be recorded in unique codes that will not require reusing codes. The target implementation date is September 30, 2023. Since the implementation date is over a year from the date of management's comments, in subsequent correspondence, management provided interim milestones outlining their plan for implementing the recommendation. These interim milestones included discussing the system change design starting no later than July 31, 2021, and developing a timeline for completing the changes by September 30, 2021.

Regarding recommendation 4, management will issue guidance to managers and supervisors at all levels, reiterating the importance of policy requirements and their responsibilities to manage and monitor leave usage. The target implementation date is September 30, 2021.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and the corrective actions should resolve the issues identified in the report.

Regarding the monetary impact disagreement, the Inspector General Act defines questioned costs as the failure to follow policy, therefore, that failure is considered to be or have monetary impact. The term "questioned cost" refers to a cost the OIG questions because the associated documentation is incomplete or missing. We considered the FFCRA leave to be questioned costs because it was not supported by adequate documentation according to Postal Service policy. The cost does not necessarily represent what was actually paid. Moreover, we consider the PS Form 3971 example cited by management to be unsupported because it was also missing the employee's signature, which is required according to policy. Finally, we provided management updates throughout the course of the audit and when requested, we promptly provided management with the sample data to analyze. Management did not request additional time to review the sample data.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit was employee COVID-19-related leave from April through December 2020. We reviewed and analyzed COVID-19-related leave data for employees as of December 31, 2020. We:

- Randomly selected 192 of 2,421 employees who exceeded their FFCRA leave hour threshold from March 28 through December 4, 2020.
- Reviewed all employees that exceeded 160 hours of COVID-19 administrative leave in the Time and Attendance Collection System³⁴ (TACS).
- Reviewed all COVID-19-related leave payroll adjustments from March 28, 2020, through January 29, 2021.
- Reviewed all FFCRA Emergency Paid Sick Leave and FFCRA Expanded Family Leave balances as of February 26, 2021.
- Conducted virtual interviews at 12 judgmentally selected sites: six offices with a high number of employees exceeding FFCRA leave and six manual time keeping offices with employees reporting COVID-19-related administrative leave (see Table 1).

Table 1. Fieldwork Sites

Criteria	Region/ Area ³⁵	Division/ District ³⁶	Sites
Employees Exceeding FFCRA Leave	Eastern Region	New York Metro Division	Brooklyn Processing & Distribution Center (P&DC), Brooklyn, NY
			Morgan P&DC, New York, NY
	Atlantic Area	New York 1	Dominick V. Daniels Building P&DC, Kearny, NJ
			Midwood Station, Brooklyn, NY Murray Hill Station, New York, NY
Manual Time Keeping Office: COVID-19-related Administrative Leave	Atlantic	New Jersey	Plainfield, NJ, Post Office
	Atlantic	Maryland	Marbury, MD, Post Office
	Central	KS-MO	Monroe City, MO, Post Office
		IA-NE-SD	Cresco, IA, Post Office
	Southern	Florida 2	Lake Placid, FL, Post Office
	Western-Pacific	CO-WY	Black Hawk, CO, Post Office
ID-MT-OR		Beavercreek, OR, Post Office	

Source: OIG analysis.

³⁴ The system used by all facilities that automates the collection of employee time and attendance information.

³⁵ Area changes effective August 7, 2020.

³⁶ Organization re-structure as of March 3, 2021. Logistics and Processing Operations are split into two and four regions, respectively, and comprised of 26 divisions. Retail and Delivery is split into four areas (Atlantic, Central, Southern, and Western-Pacific) and has 50 districts.

To accomplish our objective, we:

- Interviewed Postal Service Headquarters personnel to determine the management of COVID-19-related leave and leave adjustments during the pandemic.
- Interviewed one area and three district Human Resources Managers to determine the management of COVID-19-related leave and leave adjustments during the pandemic.
- Analyzed COVID-19 leave and adjustment data to identify trends, risk areas, and anomalies.
- Assessed the management of COVID-19 leave by randomly sampling 192 employees who exceeded their leave hour threshold to determine if leave was supported with documentation, paid correctly, and did not exceed limits.
- Analyzed COVID-19 leave data to determine if employees are taking excessive administrative leave.
- Interviewed Postal Service personnel to determine the changes to the time keeping, leave management, and payroll systems as a result of COVID-19 legislation.
- Interviewed human resource management within three federal agencies to benchmark management of COVID-19-related leave.
- Reviewed the American Rescue Plan Act to determine how the Act applies to the Postal Service.

We conducted this performance audit from November 2020 through June 2021 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 May 14, 2021, and included their comments where appropriate.

We assessed the reliability of the COVID-19-related data by validating the data with supporting documentation obtained from the TACS and Payroll Mainframe. Additionally, we assessed the reliability of the sick leave data by validating sick leave data by comparing Enterprise Data Warehouse³⁷ sick leave data against eFlash³⁸ sick leave data. We determined that, except for the system limitation for rural carriers, the data were sufficiently reliable for the purposes of this report.

³⁷ Data repository and the central source for information on retail, financial, and operational performance.

³⁸ An operating reporting management system that reports data from such functions as delivery, mail processing, and customer service. For example, the system captures payroll data such as work hours, leave, and pay by function.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit. However, OIG conducted three audits related to safety and the cost of COVID 19.

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Employee Safety – Postal Service COVID-19 Response</i>	To assess the U.S. Postal Service’s response to the novel coronavirus disease (COVID-19) outbreak regarding the safety of its employees.	20-259-R21	11/20/2020	N/A
<i>Pandemic Volume and Revenue Projected Scenarios</i>	To evaluate the reasonableness of the Postal Service’s projected financial scenarios as a result of the impact of the pandemic.	21-037-R21	2/10/2021	N/A
<i>Impact of Pandemic on Postal Service Facilities</i>	To assess the impact of the pandemic on Postal Service Finances.	20-257-R21	3/29/2021	N/A

Appendix B: Management's Comments



June 3, 2021

JOSEPH WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: COVID-19 Leave Administration (Report Number 21-032-DRAFT)

Thank you for the opportunity to review and respond to the subject OIG audit report. The Postal Service agrees with the findings in the report; however, the Postal Service does not agree with the monetary impact, as described. The monetary impact provided with the subject OIG audit report is not an accurate representation of dollar value associated with unsupported FFCRA or COVID-19 leave hours. Moreover, it is not an accurate representation of unsupported FFCRA hours. The document titled "3971 COVID-19 Leave Hours Review" provided by the OIG includes unsupported FFCRA hours that were not actually paid to the employee and thus do not require support. The spreadsheet also includes PS 3971 forms – *Request for or Notification of Absence* – deemed "unsupported" or "partially supported" by the OIG that do meet the necessary criteria to be a completed form. (ex: OIG highlighting on 3971 for one employee indicates the leave code annotated beside Other Leave is incorrect, when the 'fPH' value used is the official eRMS abbreviation of FMLA Public Health leave.) While the OIG had months to fully analyze the data and attempt to compute a monetary impact value, the Postal Service was not afforded any time to analyze the sample data and correct any misunderstandings.

The Postal Service generally agrees with the recommendations and has addressed each separately below.

Recommendation #1: We recommend the Vice President, Human Resources, reiterate to managers and supervisors at all levels, the importance of policy requirements to manage and document leave, including pandemic-related leave.

Management Response/Action Plan: Management agrees with the recommendation. The Vice President, Human Resources will issue guidance to managers and supervisors at all levels, reiterating the importance of policy requirements and their responsibilities to manage and document leave of any type.

Target Implementation Date: August 30, 2021

Responsible Official: Director of National Human Resources

Recommendation #2: We recommend the Vice President, Human Resources, in conjunction with Vice President, Technology Applications, modify the system to allow for all employees to digitally complete Postal Service Form 3971, *Request for Notification of Absence*.

Management Response/Action Plan: Management agrees with the Recommendation. The Vice President, Human Resources, in conjunction with Vice President, Technology Applications, will work to modify our leave management platform, Enterprise Resource Management System (eRMS), to allow for digital completion of the PS 3971 – *Request for Notification of Absence*.

Target Implementation Date: September 30, 2023

Responsible Official: Director of National Human Resources

Recommendation 3: We recommend the Vice President, Controller, in conjunction with Vice President, Human Resources, and Vice President, Delivery Operations, modify the payroll systems or develop another methodology for accurate recording of administrative leave for rural carriers.

Management Response/Action Plan: Management agrees with the need to reexamine the methods used to store work and leave hours in the Rural timekeeping and payroll systems, in order to allow for more flexibility. However, the issue is not with the recording of administrative leave, per se, but with the limitation of a single character DACA code used to record the work and leave hours for Rural carriers. Only three available DACA codes existed prior to FFCRA. Two were used to record the leave types paid at the 2/3 hourly rate. This left one remaining DACA code, which was reserved for future use in the event the pandemic continued, and another leave type was needed. Reserving the last DACA code for later resulted in the recording of Emergency Sick Leave-Self as administrative leave.

Discussions and research are already underway to expand the DACA code from one character to two characters. This will allow for future work and leave hours to be recorded in unique codes that will not require the reuse of administrative leave. This is a multi-year project involving significant system changes to TACS, eRMS, RMSS, and Payroll as well as process changes for timekeepers and PS form changes.

Target Implementation Date: September 30, 2023

Responsible Official: Executive Manager, Payroll

Recommendation #4: We recommend the Vice President, Human Resources, reiterate Postal Service policy to all employees for consistent, nationwide application for monitoring leave to not exceed allowable leave limits.

Management Response/Action Plan: Management agrees with the recommendation.

The Vice President, Human Resources will issue guidance to managers and supervisors at all levels, reiterating the importance of policy requirements and their responsibilities to manage and monitor leave usage.

Target Implementation Date: September 30, 2021

Responsible Official: Director of National Human Resources


Simon M. Storey
Vice President, Human Resources

Carol Ruzala Digitally signed by Carol Ruzala
Date: 2021.06.03 09:19:55 -05'00'
Carol Ruzala
Sr. Director, Accounting Services

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