



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

From September through November 2016, the Postal Service granted LWOP to the 97 carriers for periods ranging from four to 50 days to participate in political activities on behalf of the union.

Background

In late November 2016, Senator Ron Johnson of Wisconsin requested the U.S. Postal Service Office of Inspector General (OIG) review a constituent's allegation that a select group of postal carriers took leave without pay (LWOP) to participate in union political activities. This report responds to the senator's request and reviews the use of overtime to cover Postal Service carriers who took LWOP to support union political activities during the election season. Our Office of Investigations in conjunction with the Office of Special Counsel conducted a separate investigation of potential Hatch Act violations.

Our objectives were to determine the impact on local delivery routes and applicable facilities of 97 union-identified carriers who took LWOP in support of union political activities and how these carriers were paid. We selected a sample of 22 of the 97 carriers assigned to different facilities covering all seven Postal Service areas. We also evaluated how the leave was approved and by whom.

What the OIG Found

From September through November 2016, the Postal Service granted LWOP to the 97 carriers for periods ranging from four to 50 days to participate in political activities on behalf of the union. The total cumulative amount of LWOP taken by these carriers was about 2,776 days during this period. These carriers were located in 92 facilities nationwide.

Seventy-eight percent of the facilities (72 of 92) were in six political battleground states where the National Association of Letter Carriers endorsed specific candidates. About eighty-two percent of the total LWOP for these carriers (2,264 of the 2,776 cumulative days) was used in these six states.

Postal Service policy states, "the granting of LWOP is a matter of administrative discretion. Each request for LWOP is examined closely, and a decision is made based on the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service." "Installation heads may approve requests for LWOP that are not in excess of one year. Employees who are to be on leave without pay for union official reasons must initiate a PS Form 3971, Request for Notification for Absence, for supervisor approval." However, in relation to these specific requests, supervisors received correspondence to grant LWOP to employees even though concerns were raised regarding local operational impact.

In some cases supervisors initially denied the leave, but higher level managers in the district overruled them. In other cases supervisors contacted Labor Relations officials who told them to approve the leave. Finally, other managers granted these requests when provided emails or texts from union leadership or postal management validating this as a union activity or based on their prior knowledge of similar union activities.



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Several factors contributed to supervisors approving LWOP even though operational concerns were raised:

- Headquarters Labor Relations manager of policies and programs circumvented the LWOP policy by issuing emails to all area Labor Relations managers communicating the release of 97 carriers to participate in this union political activity. The emails also requested immediate notification if there were any issues with granting LWOP. Postmasters, managers, and supervisors perceived the communication as a directive to approve the LWOP requests.
- Headquarters Labor Relations officials did not communicate or coordinate requests for carriers to participate in the union activity with senior Operations personnel, including the chief operating officer or area vice presidents. Also, the Chief Human Resources Officer and Vice President of Labor Relations were aware of the releases, but did not communicate the requests to senior Operations personnel since these requests had been accommodated in the past.
- National Association of Letter Carriers officials provided carriers with emails and texts announcing they were selected to participate in the political activity. The carriers used this information as support when requesting LWOP.

- The Postal Service has historically allowed its employees to participate in such campaigns on behalf of the union, and has an organizational culture of supporting relationships between the union and management.

While on LWOP, carriers were paid by the National Association of Letter Carriers, which was subsequently reimbursed by its Letter Carrier Political Fund, in accordance with federal Election Commission regulations.

As a result, at the 22 postal facilities we reviewed, the Postal Service incurred net overtime costs of \$90,682 due to carriers taking extended LWOP. In some instances, assigning city carrier assistants who are paid at a lower rate to cover carriers who took LWOP resulted in a savings; however, these city carrier assistants were not available to cover other overtime assignments at these 22 facilities.

What the OIG Recommended

We recommended management adhere to the Postal Service policy to assess operational needs prior to granting or denying LWOP for union activities and communicate deviations to appropriate Operations and Labor Relations personnel; and establish communications protocol that allows Labor Relations and Operations personnel to coordinate employee participation in union initiatives.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 5, 2017

MEMORANDUM FOR: DOUGLAS A. TULINO
VICE PRESIDENT, LABOR RELATIONS

KEVIN L. MCADAMS
VICE PRESIDENT, DELIVERY OPERATIONS

E-Signed by Charles Turley
VERIFY authenticity with eSign Desktop

FROM: Charles L. Turley
Deputy Assistant Inspector General
for Supply Management and Human Resources

SUBJECT: Audit Report – Carrier Leave Without Pay for Union Activities
(Report Number HR-AR-17-008)

This report presents the results of our audit of Carrier Leave Without Pay for Union Activities (Project Number 17SMG010HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monique P. Colter, Director, Human Resources & Support, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit and Response Management
Chief Operating Officer and Executive Vice President
Chief Human Resources Officer and Executive Vice President

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Findings

As part of the campaign, NALC requested, and the Postal Service granted, LWOP from September to November 2016 for 97 carriers assigned to 92 facilities nationwide.

Introduction

This report presents the results of our audit of carrier leave without pay (LWOP) for union activities (Project Number 17SMG010HR000). The report responds to a request from Senator Ron Johnson of Wisconsin regarding the use of overtime to cover U.S. Postal Service carriers who took LWOP¹ to support union political activities during the election season. Our objectives were to determine the impact on the local delivery routes and applicable facilities of carriers who took LWOP for union activities and how employees were paid for union activities. Our Office of Investigations in conjunction with the Office of Special Counsel conducted a separate investigation of potential Hatch Act violations. See [Appendix A](#) for additional information about this audit.

The National Association of Letter Carriers (NALC) is the sole union representative of Postal Service city delivery carriers. NALC also has a political action committee (PAC) known as the Letter Carrier Political Fund, which is a non-partisan PAC established to elect qualified candidates who support letter carriers and are committed to maintaining a strong and innovative Postal Service.

In 2016, NALC worked with the American Federation of Labor – Congress of Industrial Organizations as part of the Labor 2016 Campaign (campaign), which focused on “get out the vote efforts.” As part of the campaign, NALC requested, and the Postal Service granted, LWOP from September to November 2016 for 97 carriers assigned to 92 facilities nationwide. The NALC identified six battleground states as priority: Florida, Nevada, North Carolina, Ohio, Pennsylvania, and Wisconsin. In the past, the Postal Service has allowed its employees to participate in this NALC campaign effort; however, we did not identify any evidence to suggest similar efforts occurred with any other unions during the campaign.

Summary

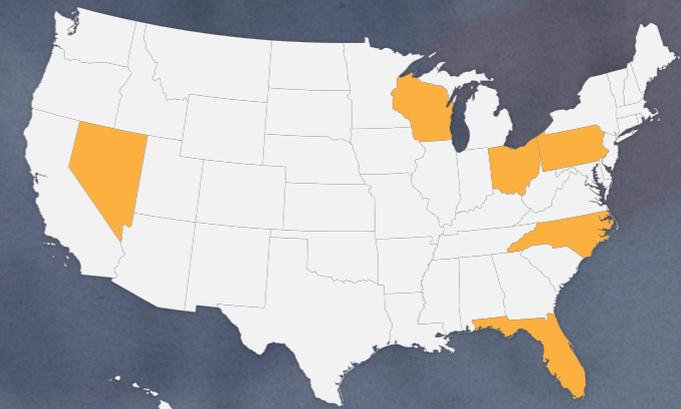
From September through November 2016, the Postal Service granted LWOP to the 97 carriers for periods ranging from four to 50 days to participate in political activities on behalf of the union. The total cumulative amount of LWOP taken by these carriers was about 2,776 days during this period. These carriers were located in 92 facilities nationwide. Seventy-eight percent of the facilities (72 of 92) were located in six political battleground states where NALC endorsed specific candidates. Additionally, about 2,264 of the 2,776 cumulative days (82 percent) of the total LWOP for these carriers were used in these six states.

POSTAL SERVICE CARRIERS UNION POLITICAL ACTIVITIES September through November 2016

Total cumulative amount of LWOP taken was about

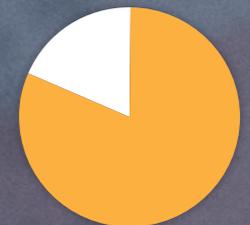
2,776 days.

These carriers were located in **92** facilities nationwide.



72 Facilities

are located in Florida, Nevada, North Carolina, Ohio, Pennsylvania and Wisconsin.



2,264 days

of the total LWOP for these carriers were used in these six states.

¹ An authorized absence from duty in a non-pay status.

Postal Service policy states, “the granting of LWOP is a matter of administrative discretion. Each request for LWOP is examined closely, and a decision is made based on the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service. Installation heads may approve requests for LWOP that are not in excess of one year. Employees who are to be on “leave without pay” for “union official” reasons must initiate a Postal Service (PS) Form 3971, Request for Notification for Absence, for supervisor approval.”

We selected 22 of the 97 carriers for a more detailed analysis and interviews with supervisors to determine whether operational and financial concerns of the Postal Service were considered in granting LWOP for these carriers. We found that in relation to these specific requests, supervisors received correspondence to grant LWOP to employees even though concerns were raised regarding local operational impact. In some cases, supervisors initially denied the leave, but higher level managers in the district overruled them. In other cases, supervisors contacted Labor Relations officials and were told to approve the leave. Finally, other managers granted these requests when provided with emails or texts from union leadership or postal management validating this as a union activity or based on their prior knowledge of similar union activities.

Several factors contributed to supervisors approving LWOP requests even though operational concerns were raised. The headquarters Labor Relations manager of policies and programs circumvented the LWOP policy by issuing emails to all area Labor Relations managers communicating the release of 97 carriers to participate in this union political activity. The emails also requested immediate notification if there were any issues with granting the LWOP. Postmasters, managers, and supervisors perceived the communication as a requirement to approve the LWOP requests. Additionally, headquarters Labor Relations officials did not communicate or coordinate requests for carriers to participate in the union activity with senior Operations personnel, including the chief operating officer or area vice presidents. Also, the Chief Human Resources Officer and Vice President, Labor Relations, were aware of the releases, but did not communicate the requests to senior Operations personnel since these requests had been accommodated in the past. Further, NALC officials provided carriers with emails and texts announcing their selection to participate in the political activity. The carriers used this information as support to request LWOP.

Postmasters, managers, and supervisors at the facilities reviewed perceived the communications they received from Postal Service management and union officials as a requirement to approve the LWOP requests. The Postal Service has historically allowed its employees to participate in union political campaigns and has an organizational culture of supporting relationships with the union, which impacted some supervisor’s decision to approve LWOP. While on LWOP, these carriers were paid by NALC, which was subsequently reimbursed by its Letter Carrier Political Fund, in accordance with federal Election Commission regulations.

Carrier Leave without Pay

Based on our review of LWOP requests for the 22 carriers, we determined that supervisors and postmasters felt compelled to release carriers and grant LWOP despite Postal Service policy to consider not only the needs of the employee, but operational impact. See [Appendix B](#) for analysis of carrier LWOP.

Specifically, supervisors for the 22 carriers were interviewed and indicated the following:

Supervisors Interviewed	Action Taken
8	Supervisors granted LWOP requests based on email and text communications indicating it was for NALC union activities or their knowledge of historical employees' participation in political campaigns on behalf of the union. Although two assessed operational needs, they indicated their decisions to approve LWOP were based solely on the fact that it was needed for a union-related activity or historical record of allowing employees to participate in the campaign activities on behalf of the union. The remaining six did not assess the operational impact.
7	These supervisors initially denied the LWOP requests, five due to staffing shortages and two due to a lack of information. The supervisors verbally denied the requests and expressed their concerns by telephone or email to their district Labor Relations managers, ² manager of Post Office Operations (MPOO), ³ or manager of Operations Programs Support. ⁴ Despite supervisors' concerns, their decisions were subsequently overruled by these managers and the supervisors were instructed to approve the leave.
3	Supervisors assessed the operational impact per Postal Service policy and granted LWOP. However, they felt that denying LWOP was not an option.
2	Supervisors asked district Labor Relations officials if they had to approve the requests. Both were instructed by email to approve the requests.
2	Supervisors verified the requests were for a legitimate union activity by email with union leadership or postal management and subsequently approved the LWOP without assessing operational needs.
22	

Postal Service policy states that each request for LWOP is examined closely and a decision is made based on the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service. Installation heads may approve requests for LWOP that are not in excess of one year.⁵ Employees who are to be on "LWOP" for "union official" reasons must initiate a PS Form 3971 for supervisor approval.⁶ Therefore, supervisors are required to closely examine each LWOP request and base their decision in accordance with the Postal Service policy. Granting LWOP is a matter of administrative discretion and facility and district managers are permitted to approve or deny the requests.

Several factors contributed to supervisors approving LWOP even though operational concerns were raised, including correspondence from Labor Relations and union officials, organizational culture, and Postal Service coordination and communication.

² Manages the district-wide labor relations function, provides guidance and policy interpretation to district personnel, and reports to the district human resources manager.
³ Monitors all post office operations, ensures that postmasters and supervisors are making effective use of manpower and are meeting service objectives, and reports to the district manager.
⁴ Manages the implementation of operations programs and procedures, ensures consistent application of national policies throughout the district, and reports to the district manager.
⁵ *Employee Labor Relations Manual* (ELM) 41, Sections 514.22 and 514.31, September 2016.
⁶ Handbook F-21, *Time and Attendance*, Section 345, February 2016.

The headquarters Labor Relations manager of policies and programs circumvented the LWOP policy by issuing emails to all area Labor Relations managers communicating the release of 97 carriers to participate in this union political activity.

Labor Relations Correspondence

On September 2 and October 2, 2016, the headquarters Labor Relations manager of policies and programs circumvented the policy by issuing emails to all area Labor Relations managers communicating the release of 97 carriers to participate in the campaign. The emails also requested immediate notification if there were any issues with granting LWOP. In some cases, these messages appeared to influence the decisions of local labor relations and operational managers as they provided guidance to front-line supervisors. For example:

- **Pacific Area:** The officer-in-charge (OIC) at the Highland Post Office in CA initially denied a carrier's LWOP request due to staffing shortages and increased overtime. The OIC contacted the San Diego District Labor Relations manager for guidance. The manager instructed the OIC to release the carrier.
- **Eastern Area:** In the Philadelphia Metropolitan District, three postmasters, with the support of the MPOO, attempted to deny the release of three carriers by informing the Eastern Area Labor Relations specialist via email of staffing issues. The specialist then notified the headquarters Labor Relations manager of these concerns; however, the headquarters Labor Relations manager instructed the area Labor Relations specialist to encourage the district to facilitate the requests.
- **Great Lakes Area:** Although supervisors in Delafield, Waukesha, Marshfield, and Wisconsin Rapids, WI, initially wanted to deny the requests to release the carriers, the MPOO encouraged them to release the carriers.
- **Western Area:** A supervisor at Vista Station in Sparks, NV, approved a carrier's LWOP request because they were instructed by a district Labor Relations specialist to release the carrier based on past practices.

Area and district Labor Relations managers we interviewed perceived communications from headquarters as a requirement.

National Association of Letter Carriers Correspondence

NALC officials provided carriers with emails and texts announcing their selection to participate in the campaign. The carriers used this information as support to request LWOP. For example:

- **Pacific Area:** A supervisor received an email from the California Association of Letter Carriers⁷ president. The email stated the carrier was officially released and instructed the carrier to request LWOP from October 6 to November 11, 2016.
- **Western Area:** An acting Customer Service manager received an email from the local NALC branch president stating that several carriers were to report for union activities.
- **Eastern Area:** A postmaster received an email from a NALC headquarters organizer stating the carrier should be granted LWOP for the period September 8 through November 9, 2016. Another postmaster got an email from NALC stating that a carrier requested LWOP from October 13 through November 9, 2016. The postmaster contacted the MPOO, who contacted the district Labor Relations manager, and was instructed to release the carrier.

⁷ A state association of NALC.

Postmasters, managers, and supervisors at the facility level viewed the communications from NALC as a requirement to approve carriers' LWOP requests to work on the campaign.

Labor Relations management did not coordinate or communicate with Operations personnel regarding the release of carriers for the campaign.

- **Great Lakes Area:** A postmaster received an email from a NALC headquarters organizer stating the carrier should be granted LWOP. In another office, a Customer Service supervisor received notification from the local NALC branch president to release the carrier.
- **Southern Area:** Based on a carrier's request for LWOP, a Customer Service manager requested guidance and approval from their postmaster. The postmaster stated that the LWOP request for union activities was an official request and should be approved.

Postmasters, managers, and supervisors at the facility level viewed the communications from NALC as a requirement to approve carriers' LWOP requests to work on the campaign.

Organizational Culture

The Postal Service has historically allowed its employees to participate in union political campaigns and has an organizational culture of supporting relationships with the union, which impacted some supervisor's decision to approve LWOP. For example:

- Four supervisors across multiple Postal Service areas approved carriers' requests based on their participation in previous campaigns.
- Four additional supervisors stated that LWOP requests for union activities are always approved.

Postal Service Coordination and Communication

Labor Relations management did not coordinate or communicate with Operations personnel regarding the release of carriers for the campaign. For example:

- The Postal Service chief operating officer (COO) stated that he was not aware of or involved in the release of the carriers. The COO also stated that, at a minimum, he should have been informed of the release of the carriers.
- Forty-three percent (three of seven) of area vice presidents stated they were not aware of the requests to grant carriers LWOP for union activities.
- The headquarters Labor Relations manager of policy and programs did not include or copy any Operations personnel on the initial email correspondence regarding the release of carriers for union activity. In addition, the Chief Human Resources Officer and the Vice President of Labor Relations were aware of the releases, but did not think it was an issue since the requests had been accommodated in the past.

Transparent coordination and communication between Labor Relations and Operations could reduce overtime costs, enhance continuity in operations, and protect the Postal Service brand from perception of partisanship.

As a result, the Postal Service incurred net overtime costs of \$90,682 due to carriers taking extended LWOP at the 22 postal facilities we reviewed. The Postal Service did save \$19,297 by assigning city carrier assistants (CCA) who were paid at a lower rate to cover carriers who took LWOP. However, these CCAs were not available to cover other overtime assignments at these 22 facilities and this additional overtime cost the Postal Service \$109,979.

Recommendations

Establish communication protocols between Labor Relations and Delivery Operations to coordinate employee participation in union initiatives.

We recommend the Vice President, Labor Relations, in coordination with the Vice President, Delivery Operations:

1. Adhere to the Postal Service policy to assess operational needs prior to granting or denying leave without pay for union activities and communicate deviations to appropriate Operations and Labor Relations personnel.
2. Establish communication protocols between Labor Relations and Delivery Operations to coordinate employee participation in union initiatives.

Management's Comments

Management disagreed with the report's findings, monetary impact, and recommendation 1; however, they agreed with recommendation 2 with modifications.

The Postal Service generally agrees with the report's description of its long-standing practice to, in accordance with the terms of a collective bargaining agreement, generally grant NALC members' requests for LWOP to engage in the "get out and vote" political activities of the union. However, management indicated that their most fundamental disagreement with the report is the interpretation that the LWOP policy is, in an overly restrictive and narrow manner, inconsistent with the way the Postal Service has been implementing the policy in this context.

The Postal Service disagreed with two of the report's conclusions. First, management does not believe there is any factual basis that a headquarters Labor Relations manager "circumvented" the Postal Service's LWOP policy by directly communicating the union's request to operations managers in the field. Management's position is that these communications advised field personnel to anticipate LWOP requests and advised managers to request information if they had any concerns with granting LWOP to the employees the union identified. Management indicated they interpret the LWOP policy requirement to include consideration of the broader interests of the Postal Service, unless doing so would seriously adversely affect the service needs of the installations.

Secondly, management disagreed with the conclusion that the Postal Service incurred net overtime costs of \$90,682 to cover union members who took LWOP to engage in the union's political activities, since they find it to be unsubstantiated and, therefore, potentially inaccurate and misleading. Management stated the audit failed to establish the causal connection between overtime and granted LWOP and the report did not consider the broader interests of the Postal Service and any costs it might have incurred had it denied LWOP requests.

Regarding recommendation 1, management disagreed with the premise that they did not adhere to or deviated from the LWOP policy. They further stated they will not implement any changes or take any actions regarding recommendation 1.

Regarding recommendation 2, management agreed with the modification and will establish communication protocols between Labor Relations and Delivery Operations that coordinate employee participation in union activities if Labor Relations received the notification. They will also undertake an educational campaign to ensure the resolution of misperceptions regarding implementation of the collective bargaining agreement concerning union activity. The target implementation date is December 31, 2017.

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

Evaluation of Management's Comments

The OIG considers management's comments on recommendation 1 to be nonresponsive; however, management's comments on recommendation 2 are responsive and their planned corrective actions should satisfy the intent of the recommendation.

Regarding management's assertion that the audit "interpreted the LWOP policy in an overly restrictive and narrow manner," we assert that our interpretation of the policy is accurate. In accordance with Postal Service policy in ELM 514.22, "each request for LWOP is examined closely, and a decision is made based on the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service." The Postal Service cited the section of the ELM that refers to LWOP approval for union conventions; however, this political activity was not a union convention. Therefore, the policy they cited is not relevant and management's broader context and interpretation of this policy is not applicable in these circumstances. We do not dispute the Postal Service's need to maintain union relationships; however, supervisors and postmasters felt compelled to release carriers and grant LWOP regardless of the operational impact on the facilities.

Regarding management's assertion that the headquarters Labor Relations manager did not circumvent the LWOP policy, we contend that, by definition, the communications bypassed the intent of the policy to base the LWOP decision on the needs of the employee and the Postal Service and the cost to the Postal Service. We also contend that by not including the operations leaders who manage the affected postmasters and supervisors and are responsible for assessing LWOP requests in the email, the normal process of approving LWOP was circumvented. Although management stated that communications "advised" field personnel to anticipate LWOP requests, all field Labor Relations and operational managers we interviewed perceived the communications as a directive; therefore, in some instances the operational assessment was not conducted per policy. In other instances, supervisors verbally denied the requests and expressed concerns to field Labor Relations personnel, who subsequently overruled their decisions.

Regarding management's disagreement with our conclusion that the Postal Service incurred net overtime costs of \$90,682 to cover for carriers who took LWOP to engage in the union's political activities, our analysis carefully assessed the actual routes covered by the carriers who took LWOP and the related impact to the respective facility. A common Postal Service practice is to use CCAs to supplement routes and lower labor costs. CCAs covered routes for carriers who took LWOP at these facilities; however, these CCAs were then unavailable to cover other overtime assignments at these facilities. The reduced availability of these CCAs impacted the carriers being released on LWOP, which we assessed as net overtime costs of \$90,682 for 22 facilities.

Regarding management's comment regarding additional costs for defending against potential grievances and determinations of unfair labor practices and negative impact on cooperative efforts with the union, these assertions are unsubstantiated. Although there is risk of potential grievances in everyday Postal Service operations, concerns over potential grievances and negative impact on cooperative efforts with the union should not be an acceptable reason for not adhering to policy.

Regarding management's disagreement with recommendation 1, we contend that management did not follow the policy (ELM 514.22) in granting LWOP leave. As demonstrated in the report, Labor Relations management did not provide supervisors the opportunity to assess the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service in the decision-making process. Specifically, when the supervisors communicated their concerns based on their assessment, their decision was overruled by Labor Relations management. Additionally, per the policy, installation heads may approve requests for LWOP that are not in excess of one year; however, supervisors were not given the opportunity to exercise this option.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendation 2 should not be closed in the USPS follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. Recommendation 1 will remain open as we coordinate resolution with management.

Appendices

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Appendix A: Additional Information

Background

In late November 2016, Senator Ron Johnson of Wisconsin requested the OIG review the use of overtime to cover several carriers at the Marshfield and Wisconsin Rapids, WI Post Offices, who participated in the union political campaign. These post offices are in the Lakeland District of the Great Lakes Area.

Specifically, a constituent at the Marshfield Post Office alleged that postal carriers took LWOP to work for a political campaign which required the Postal Service to pay other employees overtime to cover their workloads. Our Office of Investigations investigated these concerns and identified about 97 carriers to participate in the campaign from September to November 2016. The 97 carriers included 68 city carriers, 17 carrier technicians, and 12 CCAs assigned to 92 facilities nationwide located in 12 states, including six battleground states the union identified as priority and all seven Postal Service areas.

Objectives, Scope, and Methodology

Our objectives were to determine the impact on local delivery routes and the facilities of carriers who took LWOP for union activities and how employees were paid for union activities. The scope of our audit is the 97 carriers who took LWOP to participate in the Labor 2016 Campaign. We conducted an in-depth analysis of 22 of the 97 carriers. To accomplish our objective we:

- Judgmentally⁸ selected 10 city carriers,⁹ six carrier technicians,¹⁰ and six CCAs¹¹ and evaluated the impact on the assigned carriers' delivery route.
- Reviewed policies and procedures in Postal Service manuals and other sources relevant to granting LWOP for union activities.
- Reviewed leave and overtime data from the Time and Attendance Collection System (TACS),¹² and operational data on carrier routes, assignments, and calculated impact from the Delivery Operations Information System (DOIS).¹³
- Analyzed overtime and penalty overtime metrics to determine LWOP impact on local delivery routes.
- Interviewed responsible officials at Postal Service Headquarters and area and district installations to gain an understanding of their role in approving or denying LWOP. Specifically we spoke with:
 - Six area vice presidents.
 - Two area Labor Relations managers from the Pacific and Western areas.
 - One area Human Resources manager from Western Pennsylvania.
 - One area Labor Relations specialist from the Eastern Area.

⁸ We identified small, medium, and large facilities based on the total number of carriers at each facility. We also included the battleground states of Florida, Nevada, North Carolina, Ohio, Pennsylvania, and Wisconsin.

⁹ City carriers deliver the mail by vehicle or on foot. They provide reliable and efficient service, while protecting the mail entrusted to them.

¹⁰ A full-time city delivery letter carrier who replaces scheduled absences within a group of routes.

¹¹ CCAs are full-time alternates for regular letter carriers.

¹² A Postal Service system which provides supervisors and managers with actual workhour data to monitor their labor hours and dollars at the local level.

¹³ A Postal Service system of information that contains data related to mail delivery.

- Eight district managers from the San Diego, Sierra Coastal, Nevada Sierra, Santa Ana, Western Pennsylvania, Philadelphia, Northern New England, and Mid-Carolinas districts.
- Four Human Resources managers from the Santa Ana, Northland, Western Pennsylvania, and Philadelphia districts.
- Four Labor Relations managers from the San Diego, Nevada Sierra, Northland, and Philadelphia districts.
- One district Finance manager from Philadelphia.
- One Labor Relations specialist from the Nevada Sierra District.
- One post office Operations manager from the Sierra Coastal District.
- One California Association of Letter Carriers president.
- Twenty-two postmasters, OICs, managers, and supervisors of Customer Service; and the manager of Delivery Operations.

We conducted this performance audit from January through July 2017, 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on May 18, 2017, and included their comments where appropriate.

We assessed the reliability of data from TACS and DOIS by discussing the data with postal officials knowledgeable about the data and comparing the data to source documents. We determined that the data was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG has not conducted prior audits related to this issue.

**Appendix B:
Analysis of Carrier Leave
Without Pay**

Area	District	Facility	Carriers on LWOP	Days on LWOP ¹⁴
Capital Metro	Mid-Carolinas	Yorkmont Station	1	10
Capital Metro	Mid-Carolinas	Brynn Marr Annex	1	37
Capital Metro	Mid-Carolinas	Kannapolis	1	25*
Capital Metro	Mid-Carolinas	New Bern Main	1	37
Capital Metro	Mid-Carolinas	Wadesboro	1	37*
Capital Metro	Greensboro	Durm West	1	36
Capital Metro	Greensboro	West Side	1	24
Capital Metro	Greensboro	Roanoke Rapids	1	35
Eastern	Ohio Valley	St. Bernard	1	42
Eastern	Ohio Valley	Gahanna	2	84
Eastern	Northern Ohio	Fairlawn	1	21
Eastern	Northern Ohio	Bucyrus	1	40*
Eastern	Northern Ohio	Richmond Heights	1	34
Eastern	Northern Ohio	Elyria	2	59
Eastern	Northern Ohio	Main Post Office	1	35
Eastern	Northern Ohio	Lorain	2	31
Eastern	Northern Ohio	Martins Ferry	1	14
Eastern	Northern Ohio	Steubenville	1	42
Eastern	Northern Ohio	Manhattan	1	15
Eastern	Northern Ohio	Warren	2	52
Eastern	Northern Ohio	Wickliffe	1	17*
Eastern	Northern Ohio	Willoughby	1	41
Eastern	Philadelphia Metro	Bristol	1	18
Eastern	Philadelphia Metro	Abington	1	44
Eastern	Philadelphia Metro	Glenside	1	22
Eastern	Philadelphia Metro	Langhorne	1	25*
Eastern	Philadelphia Metro	Nate DeTemple	1	41
Eastern	Philadelphia Metro	Fairmount	1	41
Eastern	Central Pennsylvania	Allentown	1	39
Eastern	Central Pennsylvania	Northampton	1	22
Eastern	Central Pennsylvania	Chambersburg	1	42
Eastern	Western Pennsylvania	Bridgeville	1	17*

Area	District	Facility	Carriers on LWOP	Days on LWOP ¹⁴
Eastern	Western Pennsylvania	Irwin	1	22
Eastern	Western Pennsylvania	Johnstown	1	0
Eastern	Western Pennsylvania	Mckeesport	1	42*
Eastern	Philadelphia Metro	Levittown	1	21
Eastern	Philadelphia Metro	Hunting Park	1	22
Eastern	Philadelphia Metro	Pottstown	1	21
Great Lakes	Lakeland	Des Plaines Main	1	45
Great Lakes	Lakeland	Delafield	1	15*
Great Lakes	Lakeland	Green Bay	1	4*
Great Lakes	Lakeland	Juneau	1	37
Great Lakes	Lakeland	Marshfield	1	21*
Great Lakes	Lakeland	Neenah	1	21
Great Lakes	Lakeland	New London	1	40
Great Lakes	Lakeland	Racine	1	41
Great Lakes	Lakeland	West Racine	1	22
Great Lakes	Lakeland	Milwaukee Carrier Annex	1	41
Great Lakes	Lakeland	Oshkosh Carrier Annex	1	18*
Great Lakes	Lakeland	Waukesha	1	21*
Great Lakes	Lakeland	Waupaca	1	18
Great Lakes	Lakeland	Wisconsin Rapids	2	83*
Great Lakes	Lakeland	Beloit	1	21
Northeast	N. New England	Hampton	1	43
Northeast	N. New England	Manchester	1	33*
Northeast	N. New Jersey	Scotch Plains	1	42
Pacific	Santa Ana	Brea	1	19*
Pacific	Santa Ana	Rancho Cucamonga	1	22
Pacific	San Diego	Highland	1	21*
Pacific	San Diego	La Jolla	1	22
Pacific	Sierra Costal	Palmdale Annex	1	22
Pacific	Sierra Costal	Jackie Robinson	1	22
Pacific	Sierra Costal	Los Osos/Main	1	22*
Pacific	Sierra Costal	Van Nuys	1	22

Area	District	Facility	Carriers on LWOP	Days on LWOP ¹⁴
Pacific	Sierra Costal	Main Post Office	1	22
Southern	Suncoast	Snapper Creek	1	42
Southern	Suncoast	Deland	1	18
Southern	Suncoast	Cape Coral	1	22
Southern	Suncoast	Azalea Park	1	41*
Southern	Suncoast	Gore St.	1	21
Southern	Suncoast	Lee Vista	1	42
Southern	Suncoast	Port Richey Carrier Annex	1	21
Southern	Suncoast	Main Post Office	1	50
Southern	Suncoast	Gateway Station	1	22*
Southern	Suncoast	Main Post Office	1	22
Southern	South Florida	Midway	1	42
Southern	South Florida	Lake Worth Main	1	13
Southern	South Florida	Norland	1	21
Southern	South Florida	Main Post Office	1	42
Southern	Gulf Atlantic	Lake Jackson	1	42
Southern	Rio Grande	San Antonio	1	24
Western	Hawkeye	Rock Island	1	26
Western	Nevada-Sierra	East Las Vegas	1	37
Western	Nevada-Sierra	Huntridge	1	42*
Western	Nevada-Sierra	Westridge	1	41
Western	Nevada-Sierra	Vista Station	1	41*
Western	Northland	La Crosse	1	28
Western	Northland	Superior	1	22*
Western	Colorado	Aurora	1	21
Western	Colorado	Valmont	1	21
Western	Colorado	Welshire	1	24
Western	Denver	Downtown	1	21
Total			97	2,776

¹⁴ List pulled as of January 2017 based on 97 union-identified carriers who took LWOP in support of union political activities. We conducted further testing on the 22 carriers indicated by an asterisk, including interviews with supervisors and evaluation of overtime costs associated with covering for this leave.

Appendix C: Management's Comments

DOUG A. TULINO
VICE PRESIDENT, LABOR RELATIONS



June 23, 2017

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Draft Audit Report -- Carrier Leave Without Pay for Union Activities
Report Number HR-AR-17-DRAFT

Thank you for the opportunity to respond to the above-referenced draft OIG audit report. We disagree with certain characterizations of the facts in the report and two of the report's conclusions. We also disagree with the first recommendation and we therefore decline to make changes to implement it, but we agree with and will implement a modified version of the second recommendation.

The Postal Service generally agrees with the description of its long-standing practice, in accordance with the terms of a collective bargaining agreement, to generally grant requests by the National Association of Letter Carriers ("union") for leave without pay (LWOP) for union members to engage in the "get out the vote" political activities of the union. As the draft audit report accurately notes (although using slightly different terminology), the Postal Service has an organizational culture which seeks to foster and maintain a good working relationship between the union and management. However, the granting of such LWOP requests is not absolute, and such decisions are made in conformity with our general LWOP policy as set forth in section 514.22 of the Employee and Labor Relations Manual ("ELM"), and in consideration of Article 24 of the applicable collective bargaining agreement as we have applied it.

In that regard, our most fundamental disagreement with the draft audit report is that we believe that the report interprets the LWOP policy in an overly restrictive and narrow manner that is inconsistent with the fashion in which the policy has been implemented by the Postal Service in this context. The policy states as follows:

"Each request for LWOP is examined closely, and a decision is made based on the needs of the employee, the needs of the Postal Service, and the cost to the Postal Service. The granting of LWOP is a matter of administrative discretion and is not granted on the employee's demand except as provided in collective bargaining agreements . . . "[ELM § 514.22.]

As we discussed during the exit conference, the Postal Service defines the "needs of the Postal Service" in this context more broadly, and as such we do undertake some efforts to ensure that the people making LWOP decisions under these circumstances at the local level properly consider all of the relevant facts so an appropriate decision can be made. The draft audit report, on the other hand, seems to conclude that the more narrow interests of the local facility should be controlling in making a decision about whether to grant an LWOP request for union activity. However, this conclusion is belied by the language of Article 24 of the collective bargaining agreement dealing with "Employees on Leave with Regard to Union Business." I point you in particular to Section 2 of that Article dealing with "Leave for Union Conventions." That section states in relevant part that leave for union conventions "will" be granted... "provided that approval of such leave does not seriously adversely affect the service needs of the installation."

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The Postal Service also disagrees with two of the report's conclusions. First, we do not believe there is any factual basis for the conclusion that a headquarters labor relations manager "circumvented" the Postal Service's LWOP policy by directly communicating the union's request to operations managers in the field.

With regard to that conclusion, we have carefully reviewed the manager's communications with operations personnel in the field which you have identified as "circumventing" the policy. Those communications advise field personnel to anticipate LWOP requests, and request information if managers had any concerns with granting LWOP to the employees identified by the union. In view of our interpretation of the LWOP policy requirement to consider the broader interests of the Postal Service in this context, and of the Article 24 requirement that leave should be granted for certain union activity unless doing so would "seriously adversely affect the service needs of the installation," we do not understand how these communications can be characterized as "circumventing" the policy.

Second, we also disagree with the conclusion that the Postal Service incurred net overtime costs of \$90,682 to cover for union members who took LWOP to engage in the union's political activities, since we find it to be unsubstantiated and therefore potentially inaccurate and misleading. In that regard, in our view you failed to establish the causal connection between the overtime that was identified and the granting of leave without pay for union members, particularly considering the mail and package volumes that the Postal Service was experiencing during the relevant period, and the average overtime that was being incurred at all postal facilities at that time. In addition, and as noted above, your report did not consider the broader interests of the Postal Service and any costs that might have been incurred had the Postal Service denied the requests for LWOP.

The Postal Service, on the other hand, believes that denial of the individual LWOP requests could have resulted in lost grievances and determinations of unfair labor practices, and may have had a negative impact on cooperative efforts with the union, which collectively could have cost the Postal Service significant amounts of money each year. The costs of defending against the grievances and unfair labor practice charges alone could have outstripped the amount in overtime costs identified in this report and attributed to LWOP usage by the OIG.

Finally, your specific recommendations were as follows:

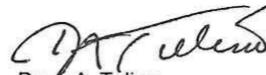
1. Adhere to the Postal Service policy to assess operational needs prior to granting or denying leave without pay for union activities and communicate deviations to appropriate Operations and Labor Relations personnel.
2. Establish communication protocols between Labor Relations and Delivery Operations to coordinate employee participation in union initiatives.

The Postal Service does not agree with the premise behind the first recommendation (which is that the Postal Service did not adhere to, or somehow deviated from, its LWOP policy), and notes that the report identified no evidence in our view to support that premise. Accordingly, management will not implement any changes or take any action in connection with the first recommendation.

In this regard, our response is confined to the subject of your audit, which is whether we applied our LWOP policy in this context consistently with its terms and in conformity with past practice and our prior interpretation of the applicable collective bargaining agreement in connection with leave requests to participate in union political activity. However, we note that the Office of Special Counsel (OSC), which has the exclusive jurisdiction to interpret the Hatch Act within the Executive Branch, is reviewing this same matter. The Postal Service is prepared to end or modify as appropriate the practice of approving LWOP applications specifically requested for the union's political activity if OSC concludes that the practice is inconsistent with the Hatch Act.

The Postal Service agrees with the second recommendation with modification and, accordingly, will establish communication protocols between Labor Relations and Delivery Operations to coordinate employee participation in union activities in the event such notice is received by Labor Relations. We will also undertake an education campaign to insure that any misperceptions are resolved regarding implementation of the collective bargaining agreement insofar as union activity is concerned.

Thank you once again for the opportunity to respond to the draft audit report. Please let me know if you have any additional questions or concerns.



Doug A. Tulino

cc: CARM
Ms. Haring
FOIA



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

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