



Office of Inspector General | United States Postal Service

## Audit Report

# Employee Issues at the Dickinson, North Dakota, Post Office

Report Number HR-AR-18-008 | August 10, 2018



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# Highlights

## Objective

This report responds to a request from Senator Heidi Heitkamp of North Dakota about employee issues at the Dickinson Post Office. In response to that request, our objectives were to determine whether the U.S. Postal Service complied with employee payment requirements and assess employee engagement and staffing levels at the Dickinson, ND, Post Office.

The Dickinson Post Office is in the Bakken Region of North Dakota. In calendar year (CY) 2006, the region's oil boom began, peaking in CY 2012. During the oil boom, the region experienced increased employment opportunities, which subsequently contributed to the Postal Service's challenge of attracting and retaining employees.

In February 2014, the Postal Service entered into a Memorandum of Understanding with the National Rural Letter Carriers Association (NRLCA) to assist in attracting and retaining rural carriers.

## What the OIG Found

The Postal Service did not comply with employee payment requirements at the Dickinson Post Office; employee feedback indicated employee engagement was low; and the post office is currently at full complement although it has faced challenges attracting and retaining both management and bargaining employees in the past. Specifically, we determined:

- Four of seven (or 57 percent) rural carriers were placed in an incorrect pay status. These carriers received letters of demand and invoices for salary overpayments totaling \$23,767.
- Six of 20 (or 30 percent) career rural carriers, who were eligible for a 90-day and/or one-year bonus prescribed in the Postal Service's MOU with the NRLCA, did not receive their bonuses totaling \$5,000.
- One employee was not reimbursed for official travel expenses submitted for 10 travel vouchers totaling about \$1,920 for work conducted in support of another Dakotas District post office.

- There is a perception of an unsupportive work environment, no employee recognition, and a lack of communication at the Dickinson Post Office. This may be an indication of low employee engagement, which is a contributor to low employee morale.

These conditions occurred because:

- Human Resources Shared Services Center processing specialists were unaware rural carriers should have been paid from one of four rate schedule code tables. Specialists also indicated they used an incorrect pay step within the rate schedule code table.
- District Human Resources did not have a formal process to timely identify carrier eligibility for bonuses.
- The postmaster did not have access to the Electronic Travel Voucher system and did not forward the employee's travel voucher to the designated travel coordinator for processing.
- There was an apparent disconnect between Dickinson Post Office management and lack of subsequent actions, and employee concerns and issues.

The Dickinson Post Office had a challenge attracting and retaining employees and subsequently developed a plan to address the rapid changes in population growth and employee turnover. However, due to actions taken by the Dickinson Post Office and the Dakotas District, as of April 2018, there were 40 employees at the Dickinson Post Office — three more than its authorized career complement of 37.

If management does not take appropriate action to ensure that they properly compensate and inform employees, there could be a negative impact on employee engagement, morale, and complement at the Dickinson Post Office.

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## What the OIG Recommended

We recommended management provide refresher training to Human Resources Shared Services Center processing specialists responsible for processing pay activities on Postal Service Form 50, Notification of Personnel Action, for the Memorandum of Understanding at select Bakken Region facilities, to include verifying employee pay statuses; and implement and communicate a process to timely identify and pay rural carriers.

We also recommended management grant Electronic Travel Voucher system access to the postmaster or designee at the Dickinson Post Office or implement controls to monitor and track reimbursements due when employees submit travel vouchers manually; and develop a strategy, to include management training, to increase employee engagement at the Dickinson Post Office.

# Transmittal Letter

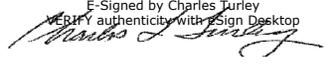


OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

August 10, 2018

**MEMORANDUM FOR:** DOUGLAS P. STEPHENS  
DAKOTAS DISTRICT MANAGER

ROCHELLE D. ISRAEL  
MANAGER, HUMAN RESOURCES SHARED  
SERVICES CENTER

E-Signed by Charles Turley  
VERIFY authenticity with Sign Desktop   


**FROM:** Charles Turley  
Deputy Assistant Inspector General  
for Supply Management & Human Resources

**SUBJECT:** Audit Report – Employee Issues at the Dickinson, North  
Dakota, Post Office (Report Number HR-AR-18-008)

This report presents the results of our audit of Employee Issues at the Dickinson, North Dakota, Post Office (Project Number 18SMG012HR000).

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

Attachment

cc: Postmaster General  
Corporate Audit Response Management  
Vice President, Area Operations, Western Area

# Results

## Introduction/Objective

This report presents the results of our audit of employee issues at the U.S. Postal Service's Dickinson, North Dakota, Post Office (Project Number 18SMG012HR000). The report responds to a request from Senator Heidi Heitkamp of North Dakota. Our objectives were to determine whether the Postal Service complied with employee payment requirements and assess employee engagement and staffing levels at the Dickinson Post Office. Specifically, the congressional request inquired about:

- Employees receiving letters of demand asserting they have been overpaid on an incorrect pay scale.
- Employees not receiving bonuses they believed management promised them.
- Employees not being reimbursed for per diem expenses dating back to December 2016.
- Treatment of employees by supervisors at the Dickinson Post Office.
- Insufficient staffing levels, which may contribute to delays in mail delivery and difficulty attracting and retaining employees.

## Background

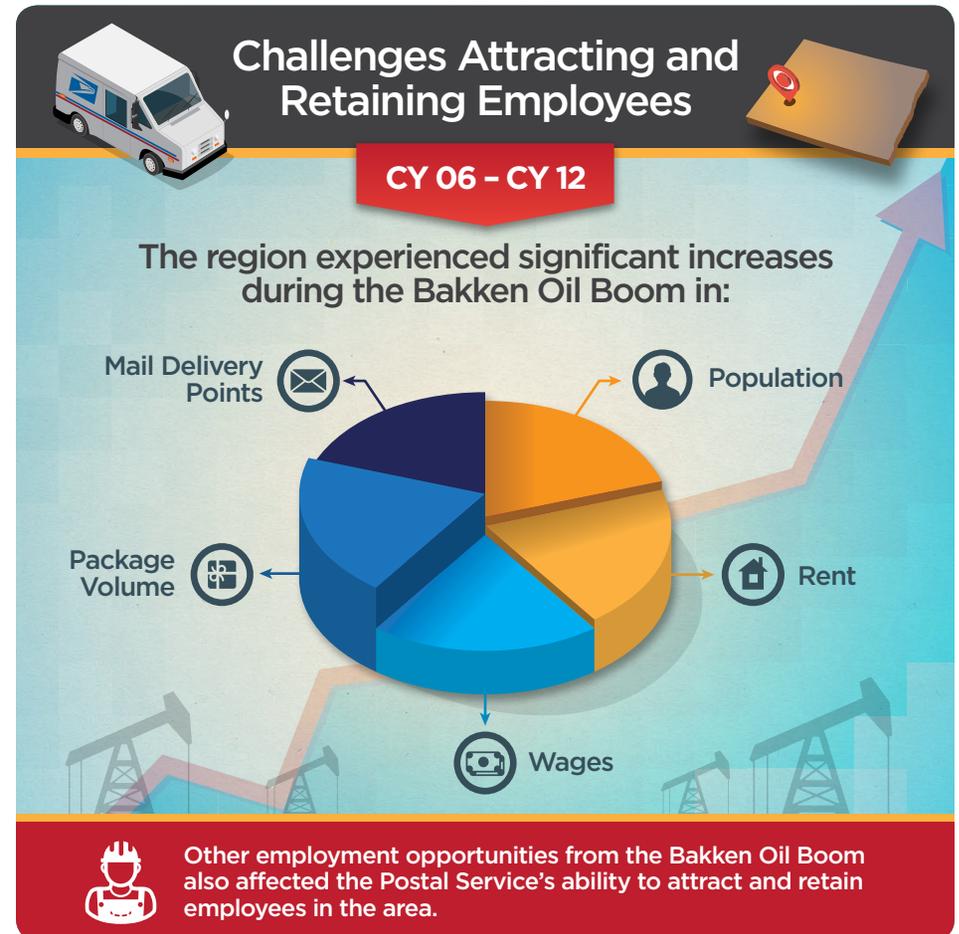
The Dickinson Post Office is in North Dakota's Bakken Region. In calendar year (CY) 2006, the Bakken oil boom began, peaking in CY 2012. As a result, the region experienced significant increases in population, mail delivery points, rent, wages, and package volume. There were also increased employment opportunities resulting from the oil boom, which subsequently contributed to the Postal Service's challenges of attracting and retaining employees in the area.

To help mitigate these staffing challenges, on February 24, 2014, the Postal Service entered into a Memorandum of Understanding (MOU) with the National Rural Letter Carriers Association (NRLCA).<sup>1</sup> The MOU allowed, effective

<sup>1</sup> MOU between the Postal Service and the NRLCA, North Dakota Bakken Communities - Temporary Wage Adjustment, effective May 17, 2014, dated February 24, 2014.

<sup>2</sup> Bakken Region facilities are: Alexander, Berthold, Beulah, Burlington, Crosby, Dickinson, Garrison, Glenburn, Halliday, Hazen, Hebron, Kenmare, Lansford, Max, Minot, Mohall, New Town, Parshall, Stanley, Stanton, Taylor, Tioga, Watford City, Williston, and Zap in ND; and Fairview and Sidney in MT.

<sup>3</sup> A career or PTF hourly rate employee available to work flexible hours as assigned during the course of a service week.



May 17, 2014, modifications to current and newly hired rural carriers' wages at select Bakken Region facilities.<sup>2</sup> Career and part-time flexible (PTF)<sup>3</sup> rural carriers and rural carrier associates (RCA) received 9 and 20 percent increases, respectively, to their hourly rates.

## Finding #1: Salary Overpayments and Letters of Demand

Between May 2014 and August 2016, four of seven rural carriers (or 57 percent) were placed in an incorrect pay status when they were hired, converted or promoted as a career rural carrier. Consequently, the Eagan Accounting Service Center Payroll Services Branch (Payroll) issued letters of demand and invoices<sup>4</sup> to these carriers to recover salary overpayments totaling \$23,767. Specifically:

- Two carriers were overpaid a total of \$9,650 when hired.
- One carrier was overpaid a total of \$3,440 when converted from a non-career to career rural carrier.
- One carrier was overpaid a total of \$10,677 once when hired and again when promoted.

An employee must pay back a salary overpayment if the Postal Service paid the employee more than they were entitled to;<sup>5</sup> however, employees have several options for satisfying their debt to the Postal Service<sup>6</sup> including disputing the debt through the grievance process.<sup>7</sup>

The letter of demand standard template and invoice do not provide details about how management calculates overpayments. Rather, the letter contains fields that are automatically populated with the reason(s) for the debt, such as: “This will serve to notify you of the U.S. Postal Service’s intention to collect from you the sum of \$1,182.64. This debt is based on PAYROLL RELATED DEBT.” Similarly, the related invoice includes additional information about the debt; however, it also fails to provide specific details. For example:

- Two carriers inquired to facility management about their overpayment calculations and initially received conflicting information. After receiving multiple inquiries from the carriers and congressional staff, district

management subsequently provided the carriers with a clear explanation of their overpayments.

- One carrier filed a grievance because the letter of demand was ambiguous and did not provide detailed information.<sup>8</sup>

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***“A clear explanation of the calculation used to determine the overpayment would provide more detail about the nature of the debt owed.”***

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A clear explanation of the calculation used to determine the overpayment would provide more detail about the nature of the debt owed. We found that the Social Security Administration provides a detailed overpayment explanation identifying the exact nature of the debt so there is no question of its validity, justification or computation.<sup>9</sup>

The four rural carriers’ incorrect pay status occurred because Human Resources Shared Services Center (HRSSC) processing specialists were unaware the carriers should have been paid from one of four rate schedule code<sup>10</sup> (RSC) tables. The specialists also indicated they used an incorrect pay step<sup>11</sup> from the RSC table.

As a result of HRSSC specialists using incorrect RSC tables and an incorrect pay step, four carriers were overpaid a total of \$23,767 from May 2014 and August 2016. As of April 2018, these employees either received a detailed explanation for the overpayment or accepted the validity of the debt and began to make payments. Between July 2015 and August 2016, the HRSSC corrected the pay status of all four carriers.

4 A letter of demand and invoice serve as notice to the employee, in writing, of the Postal Service’s determination of the existence, nature and amount of the debt.

5 *Reyes v. United States Postal Service*, DCA 15-77 (August 27, 2015).

6 *Employee Labor Manual* (ELM) 44, Sections 452-462, pages 207-235, dated March 2018.

7 ELM 44, Sections 462.21 and 462.22, pages 232-233; and National Agreement between the United States Postal Service and the National Rural Letter Carriers Association, 2015-2018, Article 28, Section 5, page 44.

8 The grievance was denied at the local level because the postmaster stated the employee had to pay the debt.

9 Social Security Administration Program Operations Manual System, NL 00803.135, [Completed Field Office Manually Prepared Version of the SSA-L8170-U3 Notice of Overpayment](#), April 7, 1999 (last accessed May 24, 2018).

10 Every employee is assigned to a rate schedule code, which identifies their salary schedule and determines compensation based on the carrier’s position and hire date.

11 Each rural carrier pay table contains pay steps, increases of which are based on an acceptable level of performance and longevity.

### Recommendation #1

The **Manager, Human Resources Shared Services Center**, in coordination with the **Dakotas District Manager**, provide refresher training to Human Resources Shared Services Center processing specialists responsible for processing pay activities on Postal Service Form 50, Notification of Personnel Action, for the Memorandum of Understanding at select Bakken Region facilities, to include verifying employee pay statuses, tables, and rate schedule codes.

## Finding #2: Bonuses for Eligible Employees

Between September 2014 and March 2018, six of 20 career rural carriers (or 30 percent), who were eligible for a 90-day and/or one-year bonus prescribed in the Postal Service's MOU with the NRLCA, did not receive their bonuses, which totaled \$5,000. Specifically, there were:

- Six of six carriers (or 100 percent) who did not receive their 90-day \$500 bonus, totaling \$3,000. These carriers' 90-day eligibility dates ranged from September 2014 through December 2017 — which was three years beyond one carrier's bonus eligibility date.
- Four of six carriers (or 67 percent) who did not receive their one-year \$500 bonus, totaling \$2,000. These carriers' one-year eligibility dates ranged from April 2016 through March 2018 — which was two years beyond two carriers' bonus eligibility dates.
- For the remaining two of six carriers, one will be eligible for the one-year bonus in September 2018, and the other transferred out of the Bakken Region prior to becoming eligible for the one-year bonus.

Per the MOU, effective May 17, 2014, career rural carriers were eligible to receive (1) a lump sum payment of \$500 90 days after the date of hire or conversion and (2) an additional lump sum payment of \$500 after remaining on the rolls for one

year. For employees to receive the bonuses, post office installation heads were to notify, via email, the district Human Resources (HR) field recruiter of carriers who qualified for bonuses under the MOU.

The carriers did not receive their bonuses because there was a breakdown in communication between district HR and post office installation heads. District HR personnel relied on post office installation heads to notify them when carriers became bonus eligible, as they did not always track or monitor this information themselves. The two prior postmasters did not make these notifications; therefore, payroll was never notified to pay the bonuses owed to the carriers.

On April 6, 2018, district management took corrective action and paid all six eligible carriers the 90-day bonus and paid all four eligible carriers the one-year bonus.

### Recommendation #2

The **Dakotas District Manager** implement and communicate a process for district Human Resources personnel to timely identify and pay current, newly hired, and converted rural carriers their bonuses under the May 17, 2014, Memorandum of Understanding.

## Finding #3: Travel Reimbursement

From August 2017 through April 2018, one employee<sup>12</sup> was not reimbursed for official travel expenses totaling about \$1,920. The employee submitted 10 travel vouchers for incurred local mileage expenses for work conducted in support of another Dakotas District post office.

When an employee returns from travel, they must complete and submit the required forms<sup>13</sup> or an electronic report to be reimbursed for expenses incurred while working away from their permanent duty station. If an employee does not have access to the Electronic Travel Voucher System (eTravel), they must submit a PS Form 1012, Travel Voucher, for reimbursement.<sup>14</sup>

<sup>12</sup> This was the only complaint we received during the audit related to unreimbursed travel expenses.

<sup>13</sup> The forms that employees are required to complete to be reimbursed for travel expenses vary depending upon whether they were on regular or local travel.

<sup>14</sup> Handbook F-15, *Travel and Relocation*, Section 10, page 73, September 2015.

As of February 2018, eAccess<sup>15</sup> indicated that no employees at the Dickinson Post Office had access to eTravel, including the postmaster and supervisors. As such, the process was for employees to physically submit the required forms for travel expenses to the postmaster. The postmaster would then forward the forms to a designated eTravel coordinator located in another postal facility for entry into eTravel. This employee was not reimbursed because the postmaster did not forward the travel expenses to the eTravel coordinator, even though the employee asked the postmaster about reimbursement of the travel expenses on multiple occasions.

As of May 22, 2018, district management took corrective action and reimbursed the employee \$1,757 for nine of the 10 vouchers. The remaining voucher is pending management's approval.

### Recommendation #3

The **Dakotas District Manager** grant Electronic Travel Voucher System access to the postmaster or designee at the Dickinson Post Office, or implement controls to monitor and track travel expense reimbursements due employees who submit vouchers manually.

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*“As of May 22, 2018, district management took corrective action and reimbursed the employee \$1,757 for nine of the 10 vouchers.”*

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## Finding #4: Employee Engagement

Based on employee feedback from management and bargaining unit<sup>16</sup> employees, there is a perception of an unsupportive work environment, no employee recognition, and a lack of communication at the Dickinson Post Office. This may be an indication of low employee engagement, which is a contributor to low employee morale.

Employee engagement is the commitment the employee has to the organization and its goals. This commitment means engaged employees actually care about their work and their company. Morale is the job satisfaction, outlook, and feelings of well-being an employee has within a workplace setting. Morale is low when employees are negative and unhappy about the workplace, feel unappreciated or lack communication from and confidence in management. Managing employee engagement and raising morale involves strategic action that keeps employees motivated and focused, so they elect to remain employed with and fully productive for the organization. These elements contribute to an organization's productivity and overall business performance.<sup>17</sup>

We interviewed 12 of 53<sup>18</sup> employees (or 23 percent) at the Dickinson Post Office and found that employees had a negative attitude about management's decision-making and the workplace environment. Specifically, all 12 indicated there was an unsupportive work culture and shared the following concerns:

- There is a distrust of Dickinson Post Office management because they do not follow through on tasks or communicate news to the rest of the post office. For example, one clerk stated the postmaster had announced that on several occasions mailpieces had been delivered to another location, but the clerk discovered multiple times that the mailpieces were not delivered. In addition, a carrier stated that management does not provide carriers with feedback on their delivery performance even when the carriers inquire or bring delivery issues to management. None of the issues are ever fixed or improved.

<sup>15</sup> A Postal Service web application used to request and review access to applications and resources in the Postal Service.

<sup>16</sup> Bargaining unit employees include carriers, clerks, information technology employees, machinists, mail handlers, maintenance employees, motor vehicle operators, nurses, and postal police officers. They are represented by a labor organization (union).

<sup>17</sup> Heathfield, Susan. [You Can Boost Employee Morale](#) (accessed March 27, 2018); [Managing for Employee Retention](#) (accessed March 27, 2018).

<sup>18</sup> The total number of employees who charged time to the Dickinson PO was 53, as of the last day of our site visit on February 16, 2018.

- There is dislike of one another among clerks and carriers. One employee believes this stems from an underlying resentment of employees who are not from the local area, while others believe there is resistance to including newer employees among the long-standing employees at the post office.
- Management and employees abrasively disagree on the workroom floor in front of other employees.
- There is a feeling that long-standing carriers intimidate novice carriers for allegedly not working as hard as they do, not taking time to learn what is necessary for the job, and being rewarded or promoted faster.
- There is criticism of carriers for complaining about their jobs when it is the clerks who are the visible employees to whom the public complains.
- There is disapproval of mail handlers who sort mail too slowly.
- There is the belief among employees that they do not have a voice in the workplace.

These employee concerns were supported by the most recent Postal Pulse survey<sup>19</sup> for the Dickinson Post Office, which produced a score of 2.49 out of five. The survey results indicated that employees' felt:

- Their progress was not being conveyed to them;
- Their opinions did not seem to count;
- No one encouraged their development; and
- They did not receive recognition or praise for doing good work.

These conditions occurred due to an apparent disconnect between Dickinson Post Office management and lack of subsequent actions, and employee concerns and issues. Low engagement and/or morale can lead to dissatisfaction, poor productivity, absenteeism and even turnover which can cause a disconnect between employees, peers, managers and the organization.

<sup>19</sup> The most recent survey was administered FY 2017, Quarter 4. Seventeen employees responded.

<sup>20</sup> Career employees are appointed without time limitation and receive full benefits, including retirement, health insurance and life insurance.

#### **Recommendation #4**

The **Dakotas District Manager**, develop a strategy, to include management training, to increase employee engagement at the Dickinson Post Office.

### **Other Matters – Employee Complement**

The congressional request suggested the Dickinson Post Office may have an insufficient number of employees and did not maintain their authorized complement. We found the post office faced challenges in attracting and retaining both management and bargaining employees between CY 2012 and April 2018. However, due to actions taken by Dickinson Post Office and Dakotas District management, there were 40 employees on the rolls as of April 2018 — three more than the post office's authorized career<sup>20</sup> complement of 37.

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***“We found that district management developed a plan to address rapid changes in population growth and employee turnover due to the oil boom.”***

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Employee complement challenges the Dickinson Post Office faced included:

- The post office has used a total of 19 supervisors detailed from other facilities in the district to assist in supervisory duties since FY 2014. These supervisors were assigned to the post office for a total of 29 details, ranging from one day to over six months. About 60 percent of the detailed days were for one month or less.

- One postmaster in charge between May 2014 and June 2017, transferred from the Dickinson Post Office to another post office. The postmaster's replacement arrived at the Dickinson Post Office in August 2017, and transferred to another post office seven months later (March 2018).
- Total complement at the post office fluctuated between 27 and 47 employees between CYs 2013 and 2016.
- Bargaining employees' complement levels were stagnant during CYs 2012 and 2013 for clerks, city carrier assistants and rural carriers. There was a decrease in city carriers from 11 to nine and in RCAs from six to one for the same time period.

To address hiring challenges, such as difficult working conditions and competitive job offers by other businesses, the Postal Service entered into the MOU with the NRLCA. For example, carriers deal with extreme weather, such as below freezing temperatures, acute snowfall, and increased darkness during the winter months. Conversely, the food and retail industries in the area attract employees with signing bonuses and higher pay without the similar challenges associated with working for the Postal Service. The MOU<sup>21</sup> provided the Postal Service a means to compete with these industries by increasing hourly rates and providing bonus opportunities for eligible rural carriers.

As a result of a prior audit,<sup>22</sup> we examined actions taken by the district to determine if they were effective. We found that district management developed a plan to address rapid changes in population growth and employee turnover due to the oil boom. They implemented the following actions:

- Promoted Postal Service job opportunities using an electronic billboard in a high-traffic commercial area of the city (see Figure 1).
- Established a district field recruiter who:
  - Monitored and tracked vacancies at every post office in the district.

- Monitored publicity initiatives for advertising vacant positions to include coordinating with online job sites that post to 70 different job entities, including three military veterans' preference websites.
- Conducted weekly meetings with Dickinson Post Office management to identify staffing, hiring and complement goals.
- District HR staff attended job fairs and worked with chambers of commerce and cities to promote employment with the Postal Service.

**Figure 1. Postal Service Job Opportunities Billboard Dickinson, ND**



Source: OIG photograph taken February 16, 2018.

As there has been improvement in meeting employee complement at the Dickinson Post Office, district management should continue its commitment to mitigating the challenges of attracting and retaining employees at the post office.

<sup>21</sup> The MOU was still in effect during audit fieldwork in March 2018.

<sup>22</sup> *North Dakota Postal Operations* (Report Number DR-AR-15-004, dated March 31, 2015).

## Management's Comments

Management agreed with the findings; recommendations 1, 2, and 3; and the monetary impact; however, they disagreed with recommendation 4.

Regarding recommendation 1, management stated they will provide refresher training to the district HR specialists responsible for processing pay for Bakken Region employees on PS Forms 50, Notification of Personnel Action, and the Bakken Region MOU. The target implementation date is August 17, 2018.

Management further stated they have developed a unique process, which they have incorporated into the district's *Complement Workbook*. Management provided supporting documentation validating that they have implemented this process.

Regarding recommendation 2, management stated they have developed another unique process and also incorporated that into the district's *Complement Workbook*. Management provided supporting documentation validating that they have implemented this process.

Regarding recommendation 3, management stated they will implement additional controls and escalation procedures to correct the travel reimbursement problem. The Dakotas District now has a process in place that requires all eTravel requests to be submitted to the postmaster, who will track and monitor the requests. The Manager, Post Office Operations (MPOO), will approve all eTravel requests and create a spreadsheet for the postmaster to fill out weekly. The MPOO will verify the spreadsheet each week during MPOO telecoms. Management indicated that they implemented this process on July 27, 2018.

Regarding recommendation 4, management stated they believe the OIG's citation of the term "Postal Pulse" in the audit report, the results, and specific facility scores in support of the findings is inconsistent with the intended purpose of the program. It is the Dakotas District's position that the specific survey results and reference to the Postal Pulse survey should be redacted from the report.

Management indicated that the Dakotas District will conduct engagement training onsite for the current management and craft teams. The target implementation date is January 31, 2019.

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

## Evaluation of Management's Comments

The OIG considers management's comments responsive as planned actions satisfy the intent of the recommendations.

Regarding recommendation 3, management indicated that they implemented a process on July 27, 2018, requiring all eTravel requests to be submitted to the postmaster, who will track and monitor the requests; however, management did not provide supporting documentation to validate its implementation. Therefore, the recommendation will remain open until the OIG receives such support.

Regarding recommendation 4 and management's objection to the citation of Postal Pulse survey results in the audit report, we disagree with their assertion. We acknowledge the Postal Service administers the Postal Pulse surveys to evaluate employee engagement. As such, based on the Dickinson Post Office's low Postal Pulse score, corroborated by interviews with management and bargaining unit employees, there are indications of low employee engagement, which could contribute to low employee morale. Although management disagreed with the recommendation, their planned action to conduct onsite training for management and craft employees satisfies its intent.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1, 3, and 4 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We consider recommendation 2 closed with the issuance of this report.

# Appendices

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# Appendix A: Additional Information

## Scope and Methodology

We reviewed employee issues related to letters of demand, salary overpayments, eTravel reimbursements, bonuses, staffing, and employee morale for the period October 2013 through December 2017.

To accomplish this review, we:

- Interviewed applicable employees and management and local NRLCA representatives and reviewed all relevant documentation including letters of demand.
- Reviewed the MOU between the NRLCA and the Postal Service.
- Reviewed Postal Pulse survey results for Dickinson Post Office.
- Identified employees who are eligible for bonuses and determined if they were paid.
- Identified employees who have not been reimbursed for approved travel expenses.
- Reviewed expected and actual employee complement and the contingency plan addressing employee issues.
- Reviewed OIG risk models for Dickinson Post Office.

We conducted this performance audit from January through August 2018, 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 June 22, 2018, and included their comments where appropriate.

We assessed the reliability of Postal Service payroll, Human Resources information, and eTravel reimbursements by comparing the data to source documents. We also reviewed existing information about the systems that produced the data, such as system descriptions and the results of prior audit work. Additionally, we confirmed analyses with agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>North Dakota Postal Operations</i>	Assess selected Postal Service operations in North Dakota	DR-AR-15-004	3/31/2015	None

# Appendix B: Management's Comments

DISTRICT MANAGER  
DAKOTAS / MONTANA DISTRICT



August 3, 2018

MONIQUE COLTER  
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Employee Issues at the Dickinson, North Dakota, Post Office  
Report Number HR-AR-18-DRAFT

Management generally agrees with the Office of Inspector General's findings and monetary impacts as outlined in this audit report. Management's position on each recommendation is as follows:

**OIG Recommendation #1:**

The Manager, Human Resources Shared Services Center (HRSSC), in coordination with the Dakotas District Manager, provide refresher training to Human Resources Shared Services Center processing specialists responsible for processing pay activities on Postal Service Form 50, Notification of Personnel Action, for the Memorandum of Understanding at select Bakken Region facilities, to include verifying employee pay statuses, tables, and rate schedule codes.

**Management Response/Action Plan:**

The Manager, Human Resources Shared Services Center, and Dakotas District Manager agree with Recommendation #1.

The Dakotas District will provide refresher training to the District Human Resources (HR) Specialists responsible for processing pay for the Bakken Region employees on PS Forms 50, Notification of Personnel Actions, and the Bakken Region Memorandum of Understanding (MOU).

In order to verify employee pay statuses, tables and rate schedule codes, the Dakotas District has developed a unique process and has incorporated that process into the Dakota's District Complement Workbook. The specific Bakken Rural Carrier craft employees who have been identified by the Memorandum of Understanding (MOU) are submitted to HRSSC by the Dakotas HR clerk who requests the special pay when submitted for hire. Those employees are entered into the Complement Workbook and are highlighted in yellow in that workbook.

Once the carriers have come on the rolls the HR Clerk will follow-up to ensure they are receiving the correct rate of pay. It will be reviewed during the weekly Complement telecom. Once verified they will no longer be highlighted (Exhibit 1).

**Target Implementation Date:**

Implemented: July 26, 2018

PO BOX 7500  
SIOUX FALLS SD 57117-7500  
605-333-2601  
WWW.USPS.COM

**Responsible Official:**

Dakotas District HR Manager

The Manager Human Resources Shared Service Center (HRSSC) will provide refresher training to the HRSSC Specialists responsible for processing pay for the Bakken Region employees on PS Forms 50, Notification of Personnel Actions, and the Bakken Region Memorandum of Understanding (MOU).

**Target Implementation Date:**

Implementation Date: August 17, 2018

**Responsible Official:**

Manager HRSSC

**OIG Recommendation # 2:**

The Dakotas District Manager implement and communicate a process for district Human Resources personnel to timely identify and pay current, newly hired, and converted rural carriers their bonuses under the May 17, 2014, Memorandum of Understanding.

**Management Response/Action Plan:**

The Dakotas District Management agrees with the OIG Recommendation #2.

The Dakotas District has developed another unique process and has incorporated that into the Dakota's District Complement Workbook. The specific Bakken Rural Carrier craft employees who have been identified by the Memorandum of Understanding (MOU) to receive the bonus will be entered into the Complement Workbook on a separate spreadsheet (Exhibit 2).

Once the carriers become eligible the spreadsheet will be updated by the HR Clerk and verified by the HR Generalist Principal.

**Target Implementation Date:**

Implemented: July 26, 2018

**Responsible Official:**

Dakotas District HR Generalist Principal

**OIG Recommendation #3:**

The Dakotas District Manager grant Electronic Travel Voucher System access to the postmaster or designee at the Dickinson Post Office, or implement controls to monitor and track travel expense reimbursements due employees who submit vouchers manually.

**Management Response/Action Plan:**

The Dakotas District agrees with the OIG Recommendation #3.

Dakotas District Management will implement additional controls and escalation procedures to correct the problem. The Dakotas District now has a process in place that all eTravel requests are submitted to the Postmaster who will track and monitor the requests. The Manager Post Office Operations (MPOO) will approve all eTravel requests and will create a spreadsheet for the Postmaster to fill out weekly. The MPOO will verify the spreadsheet each week during the MPOO telecoms.

**Target Implementation Date:**

Implemented: July 27, 2018

**Responsible Officials:**

Dickinson, North Dakota, Postmaster  
Manager, Post Office Operations (MPOO)

**OIG Recommendation #4:**

The Dakotas District Manager, develop a strategy, to include management training, to increase employee engagement at the Dickinson Post Office.

**Management Response/Action Plan:**

The Dakotas District agrees with Finding #4, but disagrees with Recommendation #4.

The OIG's citation of the term "Postal Pulse" in the audit report, the results, and specific facility scores in support of its findings, we believe, is inconsistent with the intended purpose of the program. It is the Dakotas District's position that the specific survey results and reference to the Postal Pulse survey should be redacted from the report.

The Dakotas District will conduct the following engagement training onsite for the current management team. The Manager Learning, Development, and Diversity (LDD) will approach it in two ways:

1. For the Management Team– There is a one hour Employee Engagement module in the New Supervisor Program. The Manager LDD will facilitate this to the Management team in Dickinson. We prefer this over LMS training as it gives the opportunity for immediate feedback and give and take from the learners will provide a much better learning environment.
2. For the Craft Team – The Manager LDD will divide the team into smaller groups and lead meetings. This will allow everyone the opportunity to express their concerns regarding the work environment and the opportunity to be a part of the solution, one issue at a time. Unless we can pinpoint the heart of the disengagement we cannot work to foster engagement and believe this will accomplish that mission.

**Target Implementation Date:**

January 31, 2019

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Responsible Officials:

Postmaster, Dickinson, North Dakota

Manager Post Office Operations

Manager Learning, Diversity, and Development



Douglas P. Stephens

Dakotas District Manager

cc: *Sally Haring Manager, Corporate Audit Response Management*

*Rochelle D. Israel, Manager Human Resources Shared Services Center (HRSSC)*



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