



Office of Inspector General | United States Postal Service

Audit Report

Nationwide Employee Background Screening

Report Number HR-AR-19-003 | August 22, 2019



Confidential Data



Personal Info

Full Name

Home Address

Passport

ID Card No.

Driver's License

Employment History

Travel Records

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Highlights

Objective

During fiscal year (FY) 2017 and 2018, the U.S. Postal Service hired 165,543 employees nationwide. Applicants must complete the initial pre-screening process, which is the first step in determining suitability for an initial job offer. The pre-screening process includes conducting the interview, drug screening, and local criminal background check.

“Our objective was to assess the U.S. Postal Service’s employee background screening process to determine whether individuals selected for employment are suitable to maintain the safety and security of the mail and uphold public trust in the Postal Service.”

Upon acceptance of the job offer and to further assess suitability, the U.S. Postal Inspection Service conducts a more in-depth background investigation called the National Agency Check with Inquiries (NACI).

NACI investigations are conducted for all newly hired employees as part of the post-hiring process. Based on the NACI results, the Postal Service makes a final suitability determination and the employee is either retained or separated. During the hiring process, controls are implemented to help ensure that appropriate due diligence (reviews, approval certifications, justifications, etc.) is applied.

Our objective was to assess the U.S. Postal Service’s employee background screening process to determine whether individuals selected for employment are suitable to maintain the safety and security of the mail and uphold public trust in the Postal Service. Our focus was employees with either a criminal hit on the pre-screening assessment, or unfavorable NACI results.

We conducted a two-part statistical sample to review a total of 401 employees hired nationwide during FYs 2017 and 2018. The sample was comprised of:

- Two hundred of 5,269 employees who were hired with a criminal hit on their pre-screening background check; and
- Two hundred and one of 6,273 employees who were hired and received an unfavorable NACI determination.

What the OIG Found

The Postal Service did not always adhere to background screening requirements in determining applicant suitability for employees with either a criminal hit on the pre-screening assessment, or unfavorable NACI results.

Of the employees we sampled who were hired with a criminal hit on their pre-screening background check:

- Twenty-one percent (42 of 200), or 1,106 projected over the universe, had no evidence of the required hiring approval certification.
- Four percent (seven of 200), or 211 projected over the universe, had no evidence of the required NACI investigation being conducted. Two individuals are currently employed with the Postal Service, and five have separated from the agency.

We also identified:

- Thirty-four percent (135 of 401) of the employees, or 3,902 projected over the universe, did not have a NACI Certificate of Completion maintained in their electronic Official Personnel Folders (eOPF), as required.
- There are inconsistent practices among the districts related to making final suitability determinations and maintaining adequate justification documentation.

These conditions occurred because the current hiring process lacks controls to validate compliance with approval certification, NACI investigations, and eOPF requirements. Additionally, for employees who receive unfavorable NACI results, there are inconsistent practices among the districts related to making final suitability determination and maintaining justification documentation because there is no formal policy or procedure promoting consistent behaviors or desired actions of management.

Ineffective controls impact the assurance that objectives are being met, the reliability of information in the decision-making process, and compliance with policy. The control gaps identified in the hiring process increase the risk that employees are not being adequately vetted for suitability and prevent timely identification of noncompliance with requirements.

What the OIG Recommended

We recommended management incorporate a review process to ensure compliance with prescribed requirements; incorporate procedures to enhance visibility in tracking and monitoring of NACI investigations; and conduct NACI investigations for the two active employees without evidence of the investigation on file.

We also recommended management implement a review process to ensure validation that NACI Certificates of Completion are in employees' eOPFs; and establish a formal policy designating the authority to make final suitability determinations for employees who receive unfavorable NACI results.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 22, 2019

MEMORANDUM FOR: ISAAC S. CRONKHITE
CHIEF HUMAN RESOURCES OFFICER
AND EXECUTIVE VICE PRESIDENT

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 – Nationwide Employee Background
Screening (Report Number HR-AR-19-003)

This report presents the results of our audit of the U.S. Postal Service's Nationwide Employee Background Screening (Project Number 19SMG002HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lucine M. Willis, Director, Human Resources and 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 the U.S. Postal Service's Nationwide Employee Background Screening (Project Number 19SMG002HR000). Our objective was to assess the Postal Service's employee background screening process to determine whether individuals selected for employment are suitable to maintain the safety and security of the mail and uphold public trust in the Postal Service. Our focus was employees with either a criminal hit on the pre-screening assessment, or unfavorable NACI results.

The scope included fiscal years (FY) 2017 and 2018, for which we conducted a two-part statistical sample to review a total of 401 Postal Service employees who were hired nationwide. The sample was comprised of:

- Two hundred of 5,269 employees who were hired with a criminal hit on their pre-screening background check; and
- Two hundred and one of 6,273 employees who were hired and received an unfavorable National Agency Check with Inquiries (NACI) determination.

Background

The Postal Service must ensure that it carefully screens and evaluates individuals it considers for employment so that the conduct of these individuals will reflect favorably on the organization. The Postal Service's background screening process involves three key groups: the Human Resources Shared Services Center (HRSSC), district Human Resources (HR) officials, and the U.S. Postal Inspection Service (USPIS).

During FYs 2017 and 2018, the Postal Service hired 165,543 employees nationwide, as indicated in Table 1.

Table 1. Nationwide Employee Hires by Area

Area	FY 2017	FY 2018	Total
Southern	15,564	15,083	30,647
Western	15,665	14,875	30,540
Eastern	13,276	13,511	26,787
Northeast	10,914	10,400	21,314
Great Lakes	10,430	9,849	20,279
Pacific	9,999	7,909	17,908
Capital Metro	9,541	8,126	17,667
Headquarters	314	87	401
Total	85,703	79,840	165,543

Source: Enterprise Data Warehouse (EDW).

Applicants who pass the initial interview process receive a conditional job offer, pending clearance of a drug and pre-screening background check. The pre-employment background investigation assesses the initial suitability of potential employees. After the Postal Service makes a conditional offer of employment, prospective employees who accept the offer must provide certain information, such as their education and employment histories and any criminal violations.

If an applicant receives a criminal hit on their pre-screening background check, district HR officials decide whether to maintain or rescind the job offer.¹ These decisions must be formally documented. Of the 165,543 new hires, 5,269 (3 percent) had criminal hits on their pre-screening background report (see Table 2).

¹ Selecting officials cannot automatically disqualify applicants with criminal convictions on their record. Special consideration, such as the applicants' age at the time of conviction, nature of the offense, length of time elapsed since offense, etc., should be factored in determining the applicant's suitability for employment.

Table 2. Nationwide Hires with Criminal Hits by Area

Area	FY 2017	FY 2018	Total
Western	750	696	1,446
Southern	529	514	1,043
Eastern	567	422	989
Great Lakes	363	368	731
Capital Metro	323	277	600
Northeast	146	114	260
Pacific	114	72	186
Headquarters	11	3	14
Total	2,803	2,466	5,269

Source: EDW.

Applicants who pass the initial drug and background screening move forward in the hiring process, and district HR personnel initiate the process for an in-depth NACI background investigation.² The USPIS conducts NACI investigations via its Security Investigations Service Center (SISC).

After the NACI is completed, the USPIS determines whether an employee’s investigative results are favorable or unfavorable and notifies the respective district HR officials of the determination. The SISC adjudicated 245,847 NACI background investigations during FYs 2017 and 2018, with 6,529 investigations receiving an unfavorable determination (see Tables 3 and 4).

Table 3. Number of NACI Investigations Adjudicated

SISC NACI Investigations	FY 2017	FY 2018	Total
NACIs Adjudicated	127,331	118,516	245,847
Unfavorable NACI Determinations	4,821	1,708	6,529
Percentage of Unfavorable Determinations	3.8%	1.4%	2.7%

Source: Security Clearance Tracking System.

Table 4. Nationwide Unfavorable NACI Determinations by Area

Area	FY 2017	FY 2018	Total
Western	913	241	1,154
Southern	740	364	1,104
Eastern	693	274	967
Northeast	639	207	846
Capital Metro	625	210	835
Great Lakes	554	271	825
Pacific	652	137	789
Headquarters/Non-Field	5	4	9
Total	4,821	1,708	6,529

Source: Security Clearance Tracking System.

² NACIs consist of the following components: Office of Personnel Management’s Security/Suitability Investigations index check, Defense Clearance and Investigations index check, FBI criminal history check, National Crime Information Center (NCIC) check, verification of employment history for the last five years, criminal conviction history check, education verification, and reference check verification of residence.

Finding #1: Screening Newly Hired Employees

The Postal Service did not consistently adhere to background screening requirements for employees hired in FYs 2017 and 2018. Specifically, the Postal Service did not document or maintain approval certifications for employees who were hired with a criminal hit on their pre-screening background check and did not conduct NACI background investigations for all newly hired employees.

Approval Certifications

A first step in assessing employment suitability is the pre-employment background investigation, also known as the pre-screening background check. Per policy, hiring officials must evaluate the employability of each applicant with a criminal conviction individually.³ As of March 2017, the District Manager or the District HR Manager must review an applicant's pre-hire background check if results reveal a criminal conviction or pending criminal charge and, upon approval, send certifications directly to the HRSSC.⁴

For 42 of 200 employees (21 percent or 1,106 projected over the universe) who were hired with criminal hits on their pre-screening background check, neither district officials nor the HRSSC maintained the required hiring approval certifications. Additionally, the HRSSC designated a pass status in eCareer⁵ for 58⁶ employees without having an approval certification. The pass status indicates that the approval certification was received and moves the candidate to the next step of the hiring process.

These incidents of noncompliance occurred because current processes do not include a review or reconciliation process to ensure that candidates with criminal hits on their pre-screening background check who receive a pass status in eCareer have the required approval certification maintained by the HRSSC.

National Agency Check with Inquiries Background Checks

A final step in assessing employment suitability is the NACI investigation, which is a more in-depth background check than the pre-screening investigation.

Per policy,⁷ Postal Service HR officials are responsible for initiating a NACI investigation for newly selected employees as part of the post-hiring process.



*For seven of the 200 employees we reviewed, there was **no evidence** of a NACI investigation being conducted.*

For seven of 200 employees (4 percent, or 211 projected over the universe) we reviewed, there was no evidence of a NACI investigation being conducted. Of the seven employees:

- Two are currently employed with the Postal Service.
- Five have been separated from the agency with an average of 66 days on the rolls. One of these was on the rolls for 233 days without having an NACI investigation conducted before separating from the agency.

These incidents of noncompliance occurred because the current process does not have adequate controls to ensure appropriate tracking and monitoring of NACI requests and results.

When hiring processes are not effectively monitored, applicants may move forward in the hiring process without the required vetting. Additionally,

³ Handbook EL-312, *Employment and Placement*, January 2018.

⁴ *Suitability Determination with Criminal Checks Memorandum*, March 6, 2017.

⁵ The selection system used for all hiring and promotional activities at the Postal Service.

⁶ Includes the 42 missing approval certifications plus 16 that were only maintained at the districts.

⁷ Handbook EL-312, *Employment and Placement*, January 2018.

management may not have all the appropriate information to make an informed hiring decision.

Recommendation #1

We recommend the **Chief Human Resources Officer and Executive Vice President** incorporate a review process at the Human Resources Shared Service Center to ensure that all candidates with criminal hits have supporting approval certifications prior to moving them to the next step in the hiring process.

Recommendation #2

We recommend the **Chief Human Resources Officer and Executive Vice President** incorporate controls to enhance visibility in tracking and monitoring of National Agency Check with Inquiries investigations.

Recommendation #3

We recommend the **Chief Human Resources Officer and Executive Vice President** conduct National Agency Check with Inquiries investigations for the two active employees without evidence of the investigation on file.

Finding #2: Maintaining Adequate Documentation

District officials did not consistently ensure that NACI Certificates of Completion were uploaded into employees' electronic Official Personnel Folders (eOPF), as required. Per policy,⁸ after receiving NACI Certificates of Completion from the SISC, Postal Service district officials are required to send them to the HRSSC to upload into eOPF. District management is responsible for following up with the HRSSC to ensure that the NACI Certificates of Completion are in the eOPFs to finalize employee suitability determination.

There were 135 of 401 (34 percent) employees without a NACI Certificate of Completion in eOPF.

- Of the 200 in our sample hired with criminal hits, 60 (30 percent, or 1,581 projected over the universe) did not have a NACI Certificate of Completion maintained in their eOPFs, as required.

- Of the 201 employees in our sample with an unfavorable NACI determination, 75 (37 percent, or 2,321 projected over the universe) employees did not have a NACI Certificate of Completion maintained in their eOPFs, as required.

NACI Certificates of Completion are not being uploaded into employees' eOPFs for the following reasons:

- The district is not consistently sending the NACI Certificates of Completion to the HRSSC.
- The district is sending incomplete NACI Certificates of Completion to the HRSSC, such as a certificate without an employee identification number. This hinders the HRSSC's ability to upload the certificate in the appropriate employee's eOPF; therefore, when the HRSSC receives an incomplete NACI Certificate of Completion, the practice is to destroy the document.
- There is not a formal process to ensure the district validates that NACI Certificates of Completion are uploaded into eOPF.

The eOPF is a repository of an employee's work history. When Certificates of Completion are not maintained in eOPFs, the Postal Service cannot readily determine whether the NACI investigation was conducted for hired employees; therefore, cannot rely on the information in determining the individual's suitability for employment.

Additionally, without this information in eOPF, hiring officials may not be aware of potential derogatory information associated with a former employee who was separated from one district but then reapplied for employment in another.

“District management is responsible for following up with the HRSSC to ensure that the NACI Certificates of Completion are in the eOPFs to finalize employee suitability determination.”

⁸ Handbook EL-312, *Employment and Placement*, January 2018.

Recommendation #4

We recommend the **Chief Human Resources Officer and Executive Vice President**, implement a review process to ensure that district Human Resources officials are validating that Certificates of Completion are in employees' electronic Official Personnel Folders.

Finding #3: Unfavorable NACI Review Process

Current policy guidance does not explicitly indicate who has the authority to make the final suitability determination for employees who receive unfavorable NACI results, nor does it require formal justification of the decision to retain the

employee. Therefore, districts have inconsistent practices and decisions are being made by a range of individuals in the hiring process with varying levels of supporting documentation being retained.

A poll of the 67 district offices⁹ indicated that final suitability determinations, in some instances, are being made by a single decision maker (human resources or labor relations) to a combination of decision makers (postmaster/facility management), see Table 5. This differs from the pre-screening process, which requires the approval of the district or HR manager for employees with criminal hits.

Table 5. Final Suitability Determination

Decision Makers	No. of Districts	Percentage of Total
HR	25	37%
HR Manager/Personnel and Labor Relations Manager	9	13%
No Response ¹⁰	8	12%
Postmaster/Facility Management and Labor Relations Manager	8	12%
Postmaster/Facility Management	5	7%
HR Manager/Personnel, Labor Relations Manager, and Postmaster/Facility Management	4	6%
Labor Relations	4	6%
HR Manager or Postmaster/Facility Management, depending on the reason for the unfavorable determination	1	1%
HR Manager or Labor Relations Manager, depending on tenure of employee	1	1%
HR Manager, Labor Relations, Postmaster/Facility Management, and Inspection Service/OIG	1	1%
HR Manager and Postmaster/Facility Management	1	1%
Total	67	100%

Source: District survey responses and U.S. Postal Service Office of Inspector General (OIG) analysis.

⁹ The San Diego and Appalachian district offices did not respond to our survey.

¹⁰ Includes the two districts that did not respond to our survey and six districts that did not respond to this particular survey question related to final suitability determination.

Additionally, maintaining justification documentation of the hiring decision to either retain or separate an employee based on an unfavorable NACI determination varied from district to district, as such:

- Forty-five of the 67 districts (67 percent) indicated they documented the decision justification on various documents, including:
 - PS Form 50, Notification of Personnel Action
 - PS Form 1750, Employee Evaluation and/or Probationary Report
 - Notes made on the NACI certificates of completion
- Eight of the 67 districts (12 percent) indicated they did not document the decision justification.
- Fourteen¹¹ of the 67 districts (21 percent) did not respond to our inquiry¹².

These inconsistent practices occurred because there is not a formal requirement designating authority to make final suitability determination decisions (related to unfavorable NACI results), or to maintain justification documentation on the decision.

Without formal policy guidelines, requirements are not established to promote consistency or accountability in the execution of tasks. In this instance, there is an increased risk that final suitability determination is not being consistently assessed or documented to ensure employees are thoroughly vetted by the appropriate management level.

Recommendation #5

We recommend the **Chief Human Resources Officer and Executive Vice President** establish a formal policy designating the authority to make final suitability determinations for employees with unfavorable National Agency Check with Inquiries results, that includes a requirement to document the decision.

¹¹ Includes the two districts that did not respond to our survey, and 12 districts who did not respond to this particular survey question related to maintaining justification documentation.

¹² With seventy-nine percent of the districts replying to this particular survey question, follow-up was not necessary because the response rate was sufficient to demonstrate inconsistent practices occurred.

¹³ Handbook EL-312, Section 514.3.

Other Matters

As part of our review, we noted opportunities for the Postal Service to leverage technology and enhance efficiency in the background screening process.

Pre-Screening Process

Current State:

1. Once an applicant accepts a conditional job offer, HRSSC uses eCareer to request that the contractor conduct a pre-screening background check. Upon completion, the contractor enters the applicant's pre-screening background report in eCareer, which is available for HRSSC to review.
2. If an applicant's pre-screening background report reveals a criminal hit, HRSSC emails appropriate district HR personnel with the applicant's pre-screening background report attached. The email contains standard language instructing HR personnel to contact the applicant for additional information if needed and to forward the email with any additional information to either the district manager or district HR Manager for review in accordance with policy¹³ for assessing criminal history.
3. The district manager or district HR Manager reviews the email containing the pre-screening background report and any additional information and, in turn, responds back to the HRSSC via email with a decision to either proceed with hiring or rescind the conditional job offer. This responsibility must not be delegated.
4. HRSSC manually updates eCareer with the district manager's or district HR Manager's response. If the response is to proceed with hiring, the applicant is moved to a "To-Do List" in eCareer, which is accessible by district HR personnel and alerts them that they can onboard the applicant.

Future State Opportunity:

The Postal Service can leverage eCareer to automate the process for reviewing applicants with criminal hits. By making the system accessible to the districts, the pre-screening process could be streamlined as follows:

1. If an applicant's pre-screening background report reveals a criminal hit, eCareer automatically alerts the applicable district manager, district HR Manager, and HR personnel of the required reviews.
2. The district manager or district HR Manager, as well as HR personnel, logs into eCareer and accesses applicants with criminal hits via an interactive list.
3. Using unique access credentials, the district manager or district HR Manager approves hiring or requests the job offer be rescinded via the interactive list.

Benefits of this future state opportunity include:

- Eliminated need for correspondence between HRSSC and district managers and HR Managers.
- Eliminated need for HRSSC to manually update eCareer with the district manager's or district HR Manager's response.
- Additional internal control, via unique access controls, to ensure the responsibility to review and approve hiring of an applicant with a criminal hit is not delegated.

NACI Investigation Process

Current State:

1. Once the employee provides fingerprints and completes the required onboarding paperwork, the district requests that the SISC conduct a NACI investigation.
2. Upon completion of the NACI, SISC emails NACI Certificates of Completion to the requesting district.

3. The district maintains a copy of the NACI results, ensures the EIN is on the NACI Certificate of Completion, and sends the certificate, via mail or email, to HRSSC for upload into the employee's eOPF.
4. HRSSC receives the NACI Certificates of Completion and processes them for scanning and upload into the eOPF.

Future State Opportunity:

The Postal Service could require the SISC to directly notify HRSSC of NACI investigative results and enhance the process as follows:

1. Upon completion of the NACI, SISC emails NACI Certificates of Completion to the requesting district and copies the HRSSC. The SISC should ensure that NACI certificates contain appropriate identifying information.
2. HRSSC uploads Certificates of Completion into employee eOPFs.

Benefits of this future state opportunity include:

- Direct upload by HRSSC of NACI certificates into employee eOPFs.
- Eliminated need for districts to mail NACI certificates to HRSSC.
- Eliminated reliance of HRSSC on districts to provide completed NACI certificates.
- Increased compliance with NACI certificate documentation requirements.

The above future state opportunities, if implemented, would help streamline current background screening processes to become more efficient. As the recommendations provided in this report address the control gaps identified to address compliance issues, automation is a process improvement opportunity. As such, we are not recommending Postal Service automate these processes; however, there are opportunities to explore automation as an alternative solution to enhance process efficiency.

Management's Comments

Management agreed with all the recommendations in this report.

Management further stated they are performing periodic reviews on background screening policies, deploying electronic fingerprint scanners nationwide to expedite the background screening process, and conducting random weekly reviews of NACI completions in the field.

Regarding recommendation 1, management stated the Postal Service issued a memorandum dated March 6, 2017, requiring the district manager or district HR manager to personally approve, in writing, hiring applicants with criminal hits on their initial criminal check. They noted that the OIG found 42 employees with no approval certificate; however, of these 42 employees, management stated that 25 entered on duty before that requirement was in effect. Additionally, the HRSSC located approval certificates for an additional eight employees after completion of the audit. Notwithstanding this fact, management stated they will implement a process to ensure HRSSC processors review and document decisions regarding candidates with criminal hits prior to removing them from further consideration or progressing the applicant to the next level. The target implementation date is August 31, 2019.

Regarding recommendation 2, management stated they will incorporate controls to enhance visibility and tracking of NACI activities. Management indicated national HR is already working on integrating the NACI process into the eCareer system, which will include tracking of NACI applications by requiring completion of SF 85 and capturing fingerprints prior to a candidate being hired. The target implementation date is March 31, 2020.

Regarding recommendation 3, management stated that NACI investigations were initiated and completed for the two employees without evidence of the investigation on file. Both resulted in favorable NACI determinations.

Regarding recommendation 4, management stated they will establish processes to ensure that certificates of completion are maintained in the employees' eOPFs. National HR will conduct random eOPF reviews weekly to ensure compliance with Postal Service policies and procedures. Additionally, national HR is working on streamlining the current process prior to the end of calendar year 2019. The target implementation date is December 31, 2019.

Regarding recommendation 5, management indicated they will publish a specific policy designating authority to make final suitability determinations. The target implementation date is March 31, 2020.

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 their planned actions should resolve the issues identified in the report.

Regarding management's response to recommendation 1, we acknowledge that the HRSSC provided approval certifications for an additional eight employees after completion of the audit.

Regarding recommendation 3, we validated that the NACI investigations were completed for the two active employees identified in the audit; therefore, management's action satisfies the intent of the recommendation.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1, 2, 4, and 5 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. We consider recommendation 3 closed with the issuance of this report.

Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of this audit included an assessment of employee background suitability screenings for career and non-career individuals externally hired during FYs 2017 and 2018. We took a statistical sample of 200 of 5,269 employees hired with criminal hits, and 201 of 6,273 employees who received unfavorable NACI determinations. To accomplish our objective, we:

- Reviewed applicable federal, Postal Service, and USPIS regulations, manuals, instructions, and standard operating procedures related to the employee background screening process.
- Interviewed applicable officials at Postal Service Headquarters, SISC, the HRSSC, and Postal Service districts to gain an understanding of the background screening process.
- Reviewed district HR officials' hiring decisions for the 200 employees hired with criminal hits to determine if they were properly approved.
- Reviewed eOPFs of the 401 total employees sampled to determine if their NACI Certificates of Completion were appropriately uploaded into the system.

- Surveyed, via questionnaire, officials in 67 districts to determine the controls in place for NACI tracking and monitoring, the processes and authority for making final suitability determinations for employees who receive unfavorable NACI determinations, and documentation requirements for determinations.

We conducted this performance audit from October 2018 through August 2019, 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 July 10, 2019 and included their comments where appropriate.

We assessed the reliability of Postal Service new hire data and USPIS NACI adjudication data by tracing data fields of a sample of records from both data sets to source documents filed in the corresponding eOPFs. 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>Employee Background Screening: San Francisco, Bay Valley, and Sierra Coastal Districts</i>	Assess the Postal Service's employee background screening process in the San Francisco, Bay-Valley, and Sierra Coastal districts.	HR-AR-18-004	5/29/2018	None
<i>Non-Career Employee Background Screening in the Los Angeles District</i>	Assess the Postal Service's employee background screening process for non-career employees in the Los Angeles District.	HR-AR-17-004	3/3/2017	None

Appendix B: Management's Comments

ISAAC S. CRONKHITE
CHIEF HUMAN RESOURCES OFFICER
AND EXECUTIVE VICE PRESIDENT



August 9, 2019

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Response to Audit Report–National Employee Background Screening

The following constitutes the Postal Services response to the above referenced audit.

The Postal Service reviewed the findings of the above referenced audit. The Postal Service prioritizes the safety and security of our employees, customers, and the mail. To that end, the Postal Service performs periodic reviews with a focus to drive process improvements on its background screening policies. In Fiscal Year (FY) 19, the Postal Service deployed electronic fingerprint scanners nationwide to expedite the background screening process. In addition, recognizing compliance issues prior to this audit, National Human Resources (HR) developed and implemented an audit process and began random weekly reviews of National Agency Check with Inquiries (NACI) completions in the field.

With regard to Recommendation #1, the Postal Service notes that on March 6, 2017, it implemented a policy requiring the District Manager or District HR Manager personally approve, in writing, the hiring of applicants with criminal hits on our initial criminal check to ensure appropriate review. The audit report notes that the Office of Inspector General (OIG) found 42 employees with no approval certificate. However, of the 42 employees provided, 25 entered on duty before that requirement was in effect. The Human Resources Shared Service Center (HRSSC) did locate approval certificates for an additional 8 employees after the completion of the audit.

The Postal Service has reviewed the OIG recommendations and responds as follows:

Recommendation #1: We recommend the **Chief Human Resources Officer and Executive Vice President** incorporate a review process at the HRSSC to ensure that all candidates with criminal hits have supporting approval certifications prior to moving them to the next step in the hiring process.

Response: The Postal Service agrees that the Manager, HRSSC, will implement a process to ensure the HRSSC processors will review and document decisions regarding candidates with criminal hits prior to removing from further consideration or progressing the applicant to the next level.

Target Implementation Date: August 2019

475 L'Enfant Plaza SW
Washington DC 20260 4000
www.usps.com

Recommendation #2: We recommend the **Chief Human Resources Officer and Executive Vice President** incorporate controls to enhance visibility in tracking and monitoring of National Agency Check with Inquiries (NACI) investigations.

Response: The Postal Service agrees that it will incorporate controls to enhance visibility and tracking of NACI activities. National HR is already working on integrating the NACI process into the eCareer system. This integration will include tracking of NACI applications by requiring completion of SF 85 and capturing fingerprints prior to a candidate being hired. This will provide an improved level of security by ensuring a 100 percent completion rate for all new hire NACIs. In the interim, Postal Service National HR will continue to conduct random NACI reviews weekly to ensure compliance with Postal Service policies and procedures. If no record of investigation is found, Postal Service National HR will follow-up with District HR to ensure completion of NACI.

Target Implementation Date for NACI Integration: Quarter 2 FY20

Recommendation #3: We recommend the **Chief Human Resources Officer and Executive Vice President** conduct NACI investigations for the two active employees without evidence of the investigation on file.

Response: The Postal Service agrees with recommendation. The NACI process has been initiated and completed on the two employees identified.

Target Implementation Date: Both resulted in a favorable NACI. June-July 2019

Recommendation #4: We recommend the **Chief Human Resources Officer and Executive Vice President** implement a review process to ensure that district Human Resources officials are validating that Certificates of Completion are in the employee's electronic Official Personnel Folders (eOPF).

Response: The Postal Service agrees that it will establish processes to comply with recommendation #4. Currently, a Certificate of Completed NACI investigation is prepared and forwarded to the submitting office via email. The submitting office is responsible to ensure that the certificate is sent to the HRSSC for scanning and subsequent inclusion in the employee's electronic Official Personnel Folder (eOPF). The Postal Service National HR will conduct random eOPF reviews weekly to ensure compliance with Postal Service policies and procedures. If no record of a Certificate of Completion is found, Postal Service National HR will follow-up with District HR to ensure submission for inclusion in employee's eOPF.

Postal Service National HR is working on streamlining the current process prior to the end of calendar year 2019. A Certificate of Completed NACI Investigation will be forwarded to the submitting office via email with a CC to HRSSC. Certificates with an Employee Identification Number (EIN) pre-populated will be scanned for inclusion in the employee's eOPF by HRSSC with no additional action required by the submitting office. The submitting office will print certificates without an EIN pre-populated and after populating the EIN, send to HRSSC for inclusion in the employee's eOPF.

Targeted Completion Date: December 2019

Recommendation #5: We recommend the **Chief Human Resources Officer and Executive Vice President** establish a formal policy designating the authority to make final suitability determinations for employees with unfavorable NACI results that includes a requirement to document the decision.

Response: The Postal Service agrees to publish a specific policy designating authority to make final suitability determinations. Under current USPS policy, in cases where an unfavorable adjudication is made, the Inspection Service will notify the requester who, in turn, will notify the appropriate HR manager. The appropriate HR manager is responsible to see that the unfavorable NACI is addressed. The local Inspection Service Inspector in Charge is to be notified in all instances where administrative action, such as termination or removal, is taken in response to an investigation and the information becomes part of the disciplinary file. While the Postal Service believes this policy is already in effect, it will issue instructions to the field reinforcing the HR manager's responsibility.

In the future, the Postal Service is looking to centralize the process, as referenced in Recommendations #1 and #2. HRSSC processors will review and document decisions regarding criminal hits and/or unfavorable NACIs. This enables the HRSSC management team and Postal Service National HR to conduct audits, as necessary.

Targeted Effective Date for Future Enhancement: Quarter 2 FY20



Isaac S. Cronkhite



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1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100

For media inquiries, contact Agapi Doulaveris

Telephone: 703-248-2286

adoulaveris@uspsoig.gov