

March 18, 2003

AL INIGUEZ
VICE PRESIDENT, PACIFIC AREA OPERATIONS

SUBJECT: Audit Report – Sexual Harassment Prevention Measures in the Oakland and Santa Ana Districts – Pacific Area (Report Number LH-AR-03-008)

This report presents the results of our audit of sexual harassment prevention measures in the Oakland and Santa Ana Districts - Pacific Area (Project Number 02YG010LH006). Our overall objective was to determine if the districts had adequate policies and procedures in place to prevent sexual harassment in the workplace, and to effectively address sexual harassment complaints to mitigate liability. This report is based on a self-initiated review, and is the eighth in a series of ten reports we will be issuing regarding sexual harassment prevention measures Postal Service-wide.

We found that the Oakland and Santa Ana Districts' sexual harassment policies and procedures were adequate, employees found responsible for sexual harassment or inappropriate actions/comments were appropriately disciplined or corrective action was taken, and managers/supervisors were considered for exclusion from the Pay for Performance Program. We also found that although no Postal Service national policy existed regarding the retention time for informal complaint files, the Santa Ana District maintained them indefinitely, and the storage of files was adequate. We also found, however, that some areas needed improvement. Specifically, most sexual harassment complaints in both districts were not effectively addressed. In addition, the storage of some complaint files was not centrally located in the Oakland District and file retention was not consistent. As a result, management could not locate some files when we asked for them. Oakland District management advised us they would take action to correct this deficiency.

The report included three recommendations to help the Oakland and Santa Ana Districts improve their sexual harassment prevention programs. Management agreed with part of recommendation 1 and all of recommendations 2 and 3. The actions taken or planned should correct some of the issues identified in this report. Management disagreed, however, with the second part of recommendation 1 to fully document detailed evidence of the actions taken to address complaints. The Office of Inspector General (OIG) considers that part of recommendation 1 as unresolved, and will address it in a separate capping report to the senior vice president, Human Resources.

Management's comments and our evaluation of these comments are included in this report.

The OIG considers recommendations 1, 2, and 3 significant and, therefore, requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff during the audit. If you have any questions or need additional information please contact Chris Nicoloff, director, Labor Management, at (214) 775-9114, or me at (703) 248-2300.

B. Wayne Goleski
Assistant Inspector General
for Core Operations

Attachment

cc: Suzanne F. Medvidovich
Murry E. Weatherall
Winton A. Burnett
Eduardo H. Ruiz
Susan M. Duchek

TABLE OF CONTENTS

Executive Summary	i
Part I	
Introduction	1
Background	1
Objective, Scope, and Methodology	1
Prior Audit Coverage	1
Part II	
Audit Results	2
Policies and Procedures Adequate	2
Employees Appropriately Disciplined or Corrective Action Taken	3
Managers/Supervisors Considered for Exclusion from Pay for Performance	5
Most Complaints Not Effectively Addressed	7
Recommendations	8
Management’s Comments	8
Evaluation of Management’s Comments	9
File Retention and Storage Needed Improvement	11
Recommendation	11
Management’s Comments	11
Evaluation of Management’s Comments	12
Appendix A. Objective, Scope, and Methodology	13
Appendix B. Prior Audit Coverage	15
Appendix C. Management’s Comments	16

EXECUTIVE SUMMARY

Introduction

This report presents the results of our audit of sexual harassment prevention measures in the Oakland and Santa Ana Districts, located in the Pacific Area. This review was self-initiated to determine if the districts had adequate policies and procedures in place to prevent sexual harassment in the workplace, and to effectively address sexual harassment complaints to mitigate liability.

Results in Brief

The audit revealed that the Oakland and Santa Ana Districts' sexual harassment policies and procedures were adequate and that employees found responsible for sexual harassment or inappropriate actions/comments were appropriately disciplined or corrective action was taken. We also found that managers/supervisors responsible for sexual harassment or inappropriate actions/comments were considered for exclusion from the Pay for Performance Program. In addition, although no Postal Service national policy existed regarding the retention time for informal complaint files, the Santa Ana District maintained them indefinitely, and the storage of complaint files was adequate. We also found, however, that some areas needed improvement. Specifically, most sexual harassment complaints in both districts were not effectively addressed. In addition, the storage of some complaint files was not centrally located in the Oakland District, and file retention was not consistent. As a result, management could not locate some files when we asked for them. Oakland District management advised us some action will be taken to correct this deficiency.

Summary of Recommendations

The report included three recommendations to help the Oakland and Santa Ana Districts improve their sexual harassment prevention program. We recommended management establish controls to ensure managers and supervisors effectively address all sexual harassment complaints and inappropriate actions/comments of a sexual nature and fully document detailed evidence of the actions taken to address complaints; and ensure the Equal Employment Opportunity office notifies district management of all complaints of sexual harassment or inappropriate actions/comments of a sexual nature. We also recommended Oakland District management establish controls to ensure that all informal complaint files are stored in a central location and retained for at least 4 years.

Summary of Management's Comments	<p>Management agreed with part of recommendation 1 that managers and supervisors must effectively address all sexual harassment complaints, and all of recommendations 2 and 3. Management stated that procedures have been established in both districts to ensure compliance with the recommendations. Management disagreed, however, with the second part of recommendation 1 to fully document detailed evidence of the actions taken to address complaints. Management stated to require documentation on every minor incident of inappropriate workplace behavior would potentially undermine the ability of supervisors to quickly and effectively resolve minor workplace issues. They said that although all matters of sexual harassment would be fully investigated, not all would result in a full written record.</p> <p>Management agreed with recommendation 2 that the districts' Equal Employment Opportunity offices notify management of all complaints and stated that procedures had been established in the Oakland and Santa Ana Districts in September and November 2002, respectively, to ensure compliance with the recommendation.</p> <p>Management also agreed with recommendation 3 and stated that all Equal Employment Opportunity formal and informal complaint files in the Oakland District would be maintained in the Equal Employment Opportunity office for at least 4 years. They stated the Labor Relations office would maintain all other files alleging sexual harassment for 5 years. Management's comments, in their entirety, are included in Appendix C of this report.</p>
Overall Evaluation of Management's Comments	<p>Management's actions taken or planned are responsive to the first part of recommendation 1 and all of recommendations 2 and 3. However, management's comments are not responsive to the second part of recommendation 1. We believe documentation plays an important role in determining credibility and mitigating liability and thus do not agree with management's rationale for not documenting actions taken to address complaints. Postal Service policy is clear that serious complaints must</p>

be documented, and further provides that “When in doubt, document.” The OIG considers recommendation 1 unresolved and will address it in a separate capping report.¹

¹ We will issue a capping report on the audit results for the nine areas we visited, including the Pacific Area, where recommendations regarding national policy will be made to the senior vice president, Human Resources.

INTRODUCTION

Background	Sexual harassment is defined by law as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that becomes a term or condition of employment. According to a Postal Service Law Department report, in fiscal years (FY) 2000 and 2001, the Postal Service paid approximately \$1,058,999 ² for sexual harassment judgments and settlements in the Pacific Area.
Objective, Scope, and Methodology	Our overall objective was to determine if the districts had adequate policies and procedures in place to prevent sexual harassment in the workplace, and to effectively address sexual harassment complaints to mitigate liability. Our objective, scope, and methodology are discussed in Appendix A.
Prior Audit Coverage	We identified two audit reports for the Santa Ana District relating to the objective of this audit. These audit reports concerned the Postal Service sexual harassment policies and procedures and the investigation of sexual harassment complaints. See Appendix B for more details.

² This amount represents 12 complaints. None of these complaints were within the scope of our review.

AUDIT RESULTS

Policies and Procedures Adequate

We found that the Oakland and Santa Ana Districts had adequate policies and procedures that should enable district management to identify and prevent sexual harassment or inappropriate actions/comments, and provide management with guidance to respond effectively to complaints, thus mitigating liability and costs.

We also found that the districts:

- Established as district policies, Postal Service Publication 552, Manager's Guide to Understanding Sexual Harassment, and Publication 553, Employee's Guide to Understanding Sexual Harassment.

In addition, we found that the two districts took several additional initiatives including the following:

- The Oakland District:
 - Issued a district wide sexual harassment policy in June 1999, that outlined procedures for reporting sexual harassment.
 - Used Voice of the Employee surveys³ to monitor the work environment.
- The Santa Ana District issued a memorandum to the Fullerton Post Office in April 2001, reinforcing the zero tolerance policy, as a result of an OIG sexual harassment investigation.

³ The Voice of the Employee survey was a data collection instrument that the Postal Service had established to help improve workplace relationships and to ensure all employees were treated with fairness, felt safe in their workplace, had opportunities to participate in improvements, and took pride being Postal Service employees.

Employees Appropriately Disciplined or Corrective Action Taken

We found that employees responsible for sexual harassment or inappropriate actions/comments were appropriately disciplined, or corrective action was taken.

Equal Employment Opportunity Commission 1990 and 1999 guidelines recommended agencies take immediate and appropriate corrective action, including discipline, when sexual harassment occurred. Postal Service policy stated employees engaged in sexual harassment would be subject to disciplinary action, up to and including removal. The policy also stated that disciplinary action might result even if the conduct was not sexual harassment as defined by the law, but was inappropriate and of a sexual nature.

Our review of formal and informal⁴ complaints in the Oakland and Santa Ana Districts showed that:

- Of the 17 formal and informal sexual harassment complaints filed in the Oakland District, sexual harassment or inappropriate actions/comments were not substantiated in 9 and substantiated in 3. For the five remaining complaints, management did not conduct an inquiry or investigation to determine whether sexual harassment or inappropriate actions/comments had occurred, and thus no disciplinary or corrective action was considered or taken.
 - In the three substantiated complaints, five employees were involved, three were appropriately disciplined or corrective action was taken, and two were found not responsible.
 - In eight of the nine unsubstantiated complaints, employees received sexual harassment refresher training.
- Of the 12 formal and informal complaints filed in the Santa Ana District, sexual harassment or inappropriate actions/comments were not substantiated in 1 and substantiated in 1.

⁴ The term “informal” complaint refers to those not filed in the Equal Employment Opportunity process.

- In the one substantiated complaint, two employees were involved and both were appropriately disciplined or corrective action was taken.
- In the one unsubstantiated complaint, corrective action was taken.
- For the remaining ten formal complaints, management did not conduct an inquiry or investigation to determine whether sexual harassment or inappropriate actions/comments had occurred. In three complaints, no discipline or corrective action was considered or taken. In the remaining seven complaints, the Equal Employment Opportunity office took corrective action to resolve the complaints.

**Managers/
Supervisors
Considered for
Exclusion from Pay
for Performance**

We found that the managers/supervisors in both districts responsible for sexual harassment or inappropriate actions/comments were considered for exclusion from the Pay for Performance Program.⁵

Equal Employment Opportunity Commission guidelines included a reduction in wages as an effective corrective measure to stop harassment and ensure it does not reoccur. Postal Service policy stated an employee whose conduct was clearly unacceptable may be excluded from the Pay for Performance Program. The Postal Service described unacceptable behavior as “notoriously disgraceful or immoral conduct, or other conduct prejudicial to the Postal Service.”

We found:

- Three employees in the Oakland District were found responsible for sexual harassment or inappropriate actions/comments. Two were managers/supervisors who were eligible for the Pay for Performance Program. One was excluded and one was considered for exclusion.
 - One supervisor was terminated and, therefore, excluded from the program.
 - The other supervisor received \$2,233 in FY 2001. Management stated the supervisor was not excluded for a number of reasons, including the good standing of the supervisor’s current and past performance, and the Equal Employment Opportunity administrative judge ruling in favor of the supervisor.
- Two employees in the Santa Ana District were found responsible for sexual harassment or inappropriate actions/comments. Both were managers/supervisors who were eligible for the Pay for Performance Program and were considered for exclusion.

⁵ The Pay for Performance Program, formerly referred to as the Economic Value Added Program, was an incentive award program for nonbargaining employees. The amount of money received by each employee was based on a group achievement of performance targets and financial measurements.

- One manager/supervisor received \$788 and the other received \$2,792 in FY 2001. Management stated they did not exclude them based on the nature of the incident, and because both were voluntarily reassigned to another facility.

**Most Complaints Not
Effectively
Addressed**

Our audit disclosed that 18 of the 29 complaints were not effectively addressed in the Oakland and Santa Ana Districts. Equal Employment Opportunity Commission guidelines defined an “effective” investigation as a prompt, thorough, and impartial review with documented evidence. Postal Service policy required managers to conduct sexual harassment inquiries promptly and investigate all complaints, and document “serious” complaints with detailed evidence.⁶

We found that:

- Postal Service national policy did not require that “all” complaints be documented—only those that managers believed were “serious.”
- Of the 17 formal and informal complaints filed in the Oakland District, 9 were effectively addressed and 8 were not:
 - For the eight not effectively addressed, five were not investigated, two were not prompt, and one was not thorough.
 - District management provided a number of reasons why complaints were not effectively addressed. For example, for the five that were not investigated, management stated three complaints went directly to the Equal Employment Opportunity office and that office’s investigation was accepted. For the remaining two, management stated the Equal Employment Opportunity office advised them the complaints were not sexual harassment.
- Of the 12 formal and informal complaints filed in the Santa Ana District, 2 were effectively addressed and 10 were not.

⁶Publication 552 was revised effective September 2001, and replaced the term “serious” with the statement “some complaints can be resolved simply and directly between the parties without the need for a formal written record.” The revised policy also provided that managers/supervisors needed to decide early in the process whether formal documentation was warranted, and that a good rule of thumb is when in doubt, document.

- For the ten not effectively addressed, management did not conduct an investigation because the complaints were filed directly with the Equal Employment Opportunity office and that office did not notify district management. This precluded them from conducting their own investigation.

Complaints not effectively addressed could result in liability because the Postal Service cannot demonstrate it exercised reasonable care to prevent and promptly correct harassing behavior. We believe the lack of a Postal Service policy requiring documentation of all complaints, and the lack of communication between the Equal Employment Opportunity office and district management may have been factors. We will address these issues in a separate report.

Recommendation

We recommend the vice president, Pacific Area Operations, instruct the Oakland and Santa Ana District managers to establish controls to ensure:

1. Managers and supervisors effectively address all sexual harassment complaints and inappropriate actions/comments of a sexual nature and fully document detailed evidence of the actions taken to address complaints.

**Management's
Comments**

Management agreed with part of the recommendation that all sexual harassment complaints be promptly, thoroughly and impartially investigated, and stated that procedures have been established in both districts to ensure compliance with the recommendation. Management stated, in November 2002, the Santa Ana District's Labor Relations manager created a permanent letter of instruction on "Reporting of Sexual Harassment Complaints." They stated the letter was disseminated to managers to ensure immediate reporting and appropriate action to effectively address all complaints of sexual harassment or inappropriate actions/comments. They also stated the Santa Ana District has qualified managers and professionals who are contacted immediately to conduct investigations.

Management also stated the Oakland District implemented training in September 2002 for executive and administrative schedule level employees. They said the training addressed

how to complete the required forms and document an initial management inquiry in response to sexual harassment allegations. They said the training has also been incorporated into the Associate Supervisors Program and is required for all employees at the executive and administrative schedule level 15 and above. They stated, to date, 578 of the 616 employees have been trained.

Management disagreed, however, with part of the recommendation to fully document detailed evidence of the actions taken to address complaints. They stated that Postal Service policy allows some matters to be resolved simply and directly between the parties without a formal written record. They said this allows managers maximum flexibility and speed to deal with those minor, one-time events such as an off-color joke or careless remark. Management stated to require documentation on every minor incident of inappropriate workplace behavior would potentially undermine the ability of supervisors to quickly and effectively resolve minor workplace issues. Additionally, they stated when frivolous and baseless charges of harassment are levied, managers need not create a written record on the unjustly accused employee. Management stated that although all matters will be fully investigated, not all complaints would result in a full written record with detailed evidence.

**Evaluation of
Management's
Comments**

Management's actions taken or planned are responsive to the first part of recommendation 1 and should resolve the issues identified in the report. However, management's comments are not responsive to the second part of recommendation 1 to fully document actions taken to address complaints. We do not agree with management that documenting actions would potentially undermine the ability of supervisors to quickly resolve minor workplace issues. Documenting action management took after they address the complaint has no impact on how quickly a matter can be resolved. It does, however, play an important role in determining credibility and mitigating liability. Specifically, it provides a record of the action taken to address and resolve sexual harassment complaints. Postal Service policy is clear that serious complaints must be documented, and further provides that "When in doubt, document." We believe the policy does not limit management from documenting all actions, it simply establishes a floor, not a ceiling for addressing complaints.

We view the disagreement on this recommendation as unresolved and it will be addressed in a separate capping report.

Recommendation	We recommend the vice president, Pacific Area Operations, instruct the Oakland and Santa Ana District managers to establish controls to ensure: <ol style="list-style-type: none"><li data-bbox="667 494 1442 633">2. The Equal Employment Opportunity office notify district management of all complaints of sexual harassment or inappropriate actions/comments of a sexual nature.
Management's Comments	<p>Management agreed with the finding and recommendation. They stated, in November 2002, the Santa Ana District's Human Resources manager sent a letter to the Equal Employment Opportunity manager, Labor Relations manager, and their staffs requesting that effective December 2002, all sexual harassment complaints filed with the Equal Employment Opportunity office be referred immediately to the Labor Relations office for administrative investigation.</p> <p>Management also stated that in September 2002, the Oakland District reinstated the standard operating procedure that required Equal Employment Opportunity staff to notify the district's Labor Relations manager and Human Resources manager of all complaints of sexual harassment. They stated a log of all sexual harassment complaints would be maintained and management would ensure that an initial management inquiry or investigation was completed on them.</p>
Evaluation of Management's Comments	Management's actions taken or planned are responsive to the recommendation and should correct the issues identified in this report.

File Retention and Storage Needed Improvement	<p>Our audit found there was no Postal Service policy regarding the retention time for informal complaint files. In addition, the Santa Ana District retained files indefinitely and the storage of informal complaint files was adequate. The Oakland District, however, did not store all files in a central location and the period of file retention was not consistent.</p> <p>Equal Employment Opportunity Commission guidance stated formal sexual harassment complaint files should be retained for at least 4 years after resolution of the complaint. Postal Service policy stated once an inquiry/investigation was conducted, files should be forwarded for storage, to the district Human Resources manager. According to a headquarters senior Postal Service manager, the intent of this policy was to centrally locate the files with the Human Resources manager.</p> <p>We found that the Oakland District retained files for a period of 3 to 5 years. In addition, the storage location of some files was not central and the district could not locate some files when we asked for them. They were later located at the facility where the complaint had been filed. The Labor Relations manager could not explain why the files were not located in the district office.</p> <p>During the audit, Oakland District management advised us they would start requiring that all informal sexual harassment complaint files be centrally stored at the district.</p> <p>Retaining and storing informal complaint files in a central location would ensure file availability if needed to mitigate liability. We will address the need for a national retention policy in a separate report.</p>
Recommendation	<p>We recommend the vice president, Pacific Area Operations, instruct the Oakland District manager to:</p> <ol style="list-style-type: none">3. Establish controls to ensure all informal complaint files are stored in a central location and retained for at least 4 years.
Management's Comments	<p>Management agreed with the finding and recommendation and stated the current retention period for Equal Employment Opportunity complaint files was 4 years for counseling requests and 6 years from the date of closure for</p>

investigations. They stated that all Equal Employment Opportunity complaint files would be maintained in the Equal Employment Opportunity office. Further, they stated the Labor Relations office would be the custodian of all other files alleging sexual harassment, and the retention period for the files would be 5 years.

**Evaluation of
Management's
Comments**

Management's actions taken or planned are responsive to the recommendation and should correct the issues identified in this report.

APPENDIX A. OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to determine if the Oakland and Santa Ana Districts, in the Pacific Area, implemented adequate policies and procedures to prevent sexual harassment⁷ in the workplace and to effectively address sexual harassment complaints to mitigate liability. Our district selections were based on interviews with the senior vice president, Human Resources; vice president, Diversity Development; and the vice president, Pacific Area Operations. We also considered the number of closed formal sexual harassment complaints in each of the 12 Pacific Area districts.

To accomplish our objectives, we reviewed applicable laws, policies, procedures, and other documents including Equal Employment Opportunity Commission guidelines, Postal Service national policies, the Pacific Area, and the Oakland and Santa Ana District policies for preventing sexual harassment in the workplace. We also reviewed Postal Service national policy regarding the Pay for Performance Program. In addition, we reviewed previously issued OIG reports related to sexual harassment issues. Further, we interviewed Postal Service Headquarters, Pacific Area, and Oakland and Santa Ana District officials.

To determine if adequate policies and procedures were in place to prevent sexual harassment from occurring in the workplace, we identified Equal Employment Opportunity Commission key recommendations to agencies regarding policies and procedures that should be in place to prevent sexual harassment and reduce the risk of agency liability. We then reviewed the Postal Service national, Pacific Area, and Oakland and Santa Ana Districts' policies and procedures to determine if the recommendations were included.

To determine whether district managers effectively addressed informal sexual harassment complaints to mitigate liability, we analyzed the documentation contained in formal and informal complaint files that were filed and closed⁸ in FYs 2000 and 2001,⁹ for the two districts we selected. We recorded information related to promptness, thoroughness, impartiality and the level of documentation. These fiscal years were chosen because they were the most recent and complete fiscal years at the time of our fieldwork. The number of formal and informal closed complaints was obtained from the Postal Service

⁷ For the purpose of this report, we used the legal definition of sexual harassment defined, in part, in 29 C.F.R. § 1604.11(a), as unwelcome sexual conduct that is a term or a condition of employment. In addition, we included the Postal Service policy regarding inappropriate actions/comments of a sexual nature when reviewing sexual harassment complaint files.

⁸ Sexual harassment complaints may be considered closed for a number of reasons including: (1) the inquiry/investigation was completed, (2) a settlement had been reached, (3) the complaint was withdrawn, or (4) discipline or corrective action was taken.

⁹ We used the Postal Service fiscal years that started September 11, 1999, and ended September 7, 2001.

Equal Employment Opportunity case file database and district management, respectively. We then excluded those complaints where the employees filed their complaints directly with the Equal Employment Opportunity office and requested confidentiality. These were excluded because honoring the request for confidentiality precluded the Equal Employment Opportunity office from notifying district management that a complaint had been made. This in turn precluded management from conducting an investigation. We determined there were 29 complaint files as follows:

District	Complaints		Total Complaints Per District
	Formal	Informal	
Oakland	13	4	17
Santa Ana	10	2	12
Total	23	6	29

We also determined if the retention and storage of informal files were adequate using Postal Service national, area, and district policies as well as Equal Employment Opportunity Commission guidelines.

In addition, we determined whether employees found responsible for sexual harassment received appropriate discipline using Equal Employment Opportunity Commission guidelines, Postal Service policies and procedures, and some elements of the Douglas Factors.¹⁰ We included in this determination whether or not managers or supervisors found responsible for sexual harassment or inappropriate actions/comments were considered for exclusion from the Pay for Performance Program.

This audit was conducted from February 2002 through March 2003 in accordance with generally accepted government auditing standards and included such tests of internal controls as were considered necessary under the circumstances. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

¹⁰ The Douglas Factors were developed as a result of case law (*Douglas v. the Veterans' Administration*) where the Merit Systems Protection Board ruled that management must document certain factors to be considered in making a determination of appropriate disciplinary action.

APPENDIX B. PRIOR AUDIT COVERAGE

Report Number LR-AR-99-008

The March 31, 1999, OIG report, Follow-up on USPS Recommendations to Investigate Sexual Harassment Allegations and to Reassign a Supervisor from His Position of Authority (Garden Grove Post Office) found that Garden Grove and Santa Ana District officials had not taken action to investigate some sexual harassment allegations. The OIG recommended the vice president, Pacific Area Operations, investigate and report on the results of the sexual harassment investigations to the Labor Relations and Human Resources vice presidents and the OIG, and determine why allegations of sexual harassment were not investigated. We also recommended that the vice president take appropriate action to address the allegations.

Management responded with an investigative report that concluded there was no evidence to support sexual harassment allegations were made or that the supervisor's behavior created a hostile work environment.

Management's investigative report was responsive to the OIG recommendation. The OIG did not agree, however, that the supervisor's behavior did not create a hostile work environment.

Report Number LB-AR-01-017

The May 14, 2001, OIG report, Allegations of a Tense and Stressful Work Environment at a Post Office in the Santa Ana District, found a tense and stressful work environment existed at the Fullerton Post Office. We found that management did not aggressively pursue and enforce the Postal Service's policies and guidance on sexual harassment, which contributed to the negative work environment. For example, in one case an employee reported incidents of sexual harassment to management. The employee claimed she was subjected to deliberate and repeated unsolicited remarks with a sexual connotation by a supervisor. The employee felt that the postmaster did not address her complaint properly. The OIG recommended the vice president, Pacific Area Operations, require the district manager to enforce the Postal Service's policies and guidance regarding sexual harassment.

Management agreed with our finding and recommendation and stated they would provide the sexual harassment policy statement beginning April 2001 to all employees through the mail to inform employees of their responsibility to report sexual harassment claims to the district level. Management also stated that the postmaster would provide the sexual harassment policy statement to all employees and post the policy in the facility to increase awareness. Management's actions taken and planned were responsive to the recommendation.

APPENDIX C. MANAGEMENT'S COMMENTS

AL INIGUEZ
VICE PRESIDENT
PACIFIC AREA OPERATIONS



February 3, 2003

B. WAYNE GOLESKI
ASSISTANT INSPECTOR GENERAL FOR CORE OPERATIONS

SUBJECT: Response to Draft Audit Report No. LH-AR-03-DRAFT
Sexual Harassment Prevention Measures in the Oakland and
Santa Ana Districts – Pacific Area

This is in response to the subject audit report. Except as otherwise indicated, I agree with the recommendations set forth in the report, and the following procedures have been established in the Oakland and Santa Ana districts to ensure compliance with those recommendations.

Recommendation No. 1 – Establish controls to ensure managers and supervisors effectively address all sexual harassment complaints and inappropriate actions/comments of a sexual nature and fully document detailed evidence of the actions taken to address complaints.

Management agrees with the recommendation that all sexual harassment complaints be promptly, thoroughly and impartially investigated. However, management disagrees with the latter part of the recommendation that all sexual harassment complaint investigations fully document detailed evidence of the actions taken to address complaints of sexual harassment regardless of whether or not the allegations actually amount to sexual harassment. Postal policy found in publication 552 allows some matters to be resolved simply and directly between the parties without a formal written record. The rationale is to allow managers maximum flexibility and speed to deal with those minor, one-time events such as an off-color joke or careless remark. To require documentation regarding every minor incident of inappropriate workplace behavior would potentially undermine the ability of supervisors to quickly and effectively resolve minor workplace issues. In addition, when frivolous and baseless charges of harassment are levied, managers need not create a written record on the unjustly accused employee. In accordance with Postal Service guidelines identified above, although all matters of alleged sexual harassment will be fully

11255 RANCHO CARMEL DR
SAN DIEGO CA 92197-0100
858-674-3100
FAX: 858-674-3101

investigated, not all complaints will result in a full written record with detailed evidence of the actions taken to address the complaints.

The Labor Relations Manager in the Santa Ana district created a permanent posting on "Reporting of Sexual Harassment Complaints," dated November 29, 2002. The posting was disseminated to all managers at post offices, plants and stations to ensure immediate reporting and appropriate action to effectively address all complaints of sexual harassment and inappropriate actions/comments. Additionally, a computerized tracking/monitoring log was developed and provided to the OIG audit team on June 11, 2002. The Santa Ana district has qualified managers and professionals who are contacted immediately to conduct internal investigations of complaints of sexual harassment.

In the Oakland district, training for EAS employees was implemented on September 26, 2002, addressing how to complete the required form and document an initial management inquiry in response to allegations of sexual harassment. This training, "Initial Management Inquiry Process" (IMIP), has been mandated for all employees at level EAS-15 and above, and is ongoing. To date, 578 of a total 616 employees have been trained. IMIP training has also been incorporated into the Associate Supervisors Program (ASP) curriculum. Labor Relations maintains a log of all sexual harassment complaints, which includes a column for "merit rating considered." During the year-end merit evaluation period, sexual harassment cases for the fiscal year are reviewed, and the responsible official is contacted to confirm that the sexual harassment allegation was considered during the merit assessment.

Recommendation No. 2 – Establish controls to ensure that the Equal Employment Opportunity office notifies district management of all complaints of sexual harassment or inappropriate actions/comments of a sexual nature.

Management agrees that district management should be notified immediately of all complaints of sexual harassment filed directly with the EEO office in order to ensure that an administrative investigation is conducted.

In the Santa Ana district, the Human Resources Manager sent a letter, dated November 25, 2002, to the EEO and Labor Relations Managers and their staffs. The letter requested that, effective December 2, 2002, all sexual harassment complaints filed with the EEO office be referred immediately to Labor Relations for administrative investigation. The referred complaints are logged and tracked by Labor Relations, utilizing the centralized sexual harassment allegations format system.

The Oakland district, in September 2002, reinstated the Standard Operating Procedure requiring that EEO staff notify the district Labor Relations Manager and Human Resources Manager of all complaints of sexual harassment. The

SOP requires that Labor Relations maintain a log of all sexual harassment complaints, which is reviewed by both Labor Relations and EEO staff to insure that referred complaints have been included. Additionally, the EEO Manager pulls an activity report by "issue code" each accounting period for HR Manager, who reviews the report with the LR Manager to ensure that an Initial Management Inquiry Process (IMIP) or investigation was completed.

Recommendation No. 3 – Establish controls to ensure that all informal complaint files are stored in a central location and retained for at least 4 years. (Oakland District)

Management agrees that informal complaint files should be stored in a central location to permit control and access.

The current retention period for EEO case files is 4 years for counseling requests (informal complaints) and 6 years from the date of closure for investigations (formal complaints). All EEO case files alleging sexual harassment will be maintained in the EEO office. Labor Relations will be the custodian of all other files from the performance cluster alleging sexual harassment. The retention period for these files will be 5 years.

If you wish to discuss any of our comments, our staffs are available at your convenience.



Al Iniguez
Vice President, Pacific Area