Postal Regulatory Commission Compensation and Benefits

AUDIT REPORT

Report Number 25-033-R25 | June 25, 2025

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Highlights

Background

The Postal Regulatory Commission (PRC) is an independent establishment of the executive branch that exercises regulatory oversight of the U.S. Postal Service. The PRC offers a range of benefits to its employees including, but not limited to, transit benefits, bonuses, time-off-awards, telework, remote work, flexible work schedules, recruitment and retention incentives, and paid leave. By providing these options, the PRC seeks to attract and retain a high-performing, varied workforce with workplace flexibility.

What We Did

The objective of our audit was to determine whether the PRC followed all applicable laws, regulations, and policies around employee compensation and benefits. We reviewed compensation and benefit policies, procedures, and internal controls over these programs during the period January 2022 through December 2024.

What We Found

While the PRC adhered to applicable laws and regulations, we identified areas where the PRC did not adhere to its own policy, as well as opportunities to improve internal controls. Specifically, the PRC could better adhere to its remote work policy; improve its application of locality pay; improve its hiring incentives process; and establish more internal controls over employee leave requests.

While not every benefit audited had issues with implementation, those that did stemmed from the PRC either not applying policy consistently or not referring to policy when creating supporting templates. In addition, internal controls can help verify administrative processes are working effectively.

Recommendations and Management's Comments

We made four recommendations to address the issues identified in the report. PRC management agreed with two recommendations, partially agreed with one, and disagreed with one. Management's comments and our evaluation are at the end of each finding and recommendation. We consider management's comments responsive to recommendations 2, 3, and 4, as corrective actions should resolve the issues identified. We will pursue management's disagreement with recommendation 1 through the formal audit resolution process. See Appendix B for management's comments in their entirety.

Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

June 25, 2025

MEMORANDUM FOR: ERICA BARKER
SECRETARY AND CHIEF ADMINISTRATIVE OFFICER

Kelly Thresher

FROM: Kelly Thresher
Deputy Assistant Inspector General
for Field Operations

SUBJECT: Audit Report – Postal Regulatory Commission Compensation and Benefits (Report Number 25-033-R25)

This report presents the results of our audit of the Postal Regulatory Commission's Compensation and Benefits.

We appreciate the cooperation and courtesy provided by your staff. If you have any questions or need additional information, please contact John Littlejohn, Director, Seasonal Performance and Postal Regulatory Commission, or me at 703-248-2100.

Attachment

cc: Director, Public Affairs and Government Relations
General Counsel

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the Postal Regulatory Commission (PRC) Compensation and Benefits (Project Number 25-033). Our objective was to determine whether the PRC followed all applicable laws, regulations, and policies around employee compensation and benefits. See Appendix A for additional information about this audit.

Background

The PRC is an independent agency of the executive branch that has exercised regulatory oversight over the U.S. Postal Service since its creation by the Postal Reorganization Act of 1970. As of the end of calendar year (CY) 2024, the PRC was comprised of about 93 full-time employees. While the PRC maintains its own Human Resources department, the agency uses several Postal Service systems to administer benefits, such as pay and leave.

The PRC uses a pay scale comprised of a series of pay bands[1] to organize positions across the agency. Each pay band has an associated range of pay, and each position at the PRC is assigned a pay band or progression of bands. See Figure 1 for the pay bands and scale during CY 2025.

Figure 1. PRC Pay Bands

The Commission Pay Bands		
Bands	**Pay Range**	**Position**
1-7	$57,164 - $195,200	Staff (Career and Commissioner Staff)
8 (Executive)	$150,160 - $207,500	Deputy Office Heads
9 (Executive)	$150,160 - $225,700	Office Heads
10	$158,500	Commissioners (including the Vice-Chairman)
11	$168,400	Chairman

Source: PRC Policy (Compensation): FIN-004, effective date January 1, 2021, and the PRC provided the minimum and maximum amounts for each Pay Band level for calendar year 2025.

The PRC offers an array of benefits to employees, including — but not limited to —transit benefits, bonuses and time-off-awards, telework and remote work options, work schedule options, a variety of leave options, and retention incentives. By offering these options to its employees, the PRC aims to attract and retain a varied, high performing workforce with improved workplace flexibilities. Generally, these benefits are in line with other federal agencies or the Postal Service; however, the PRC has leeway in how benefits are applied.[2]

Findings Summary

The PRC did not always carry out policy consistently regarding the disbursement of benefits, and we identified opportunities for the PRC to realign processes with agency policy and improve internal controls to verify benefits are provided in line with policy. Specifically, we found instances of the PRC not following its policy related to remote work. Additionally, the PRC used inconsistent processes regarding hiring incentives and locality pay. Further, we identified an internal control issue related to leave requests.

Of the areas we reviewed during the audit, we identified issues in the following areas (see Table 1):

Table 1. Benefits Reviewed

Areas Reviewed	Deficiencies Identified
Compensation	Yes
Hiring Incentives	Yes
Leave Requests	Yes
Bonuses and Time-Off Awards	No
Remote Work	Yes
Telework	No
Transit Benefits	No
Work Schedule	No

Source: OIG analysis.

1 A pay band represents a group of positions that are treated alike for compensation administration purposes.
2 39 U.S. Code §504(e) specifies that federal statutes apply to the PRC "as appropriate."

Finding #1: Remote Work and Locality Pay

The PRC has a remote telework[3] policy that enables some employees to work without reporting to PRC Headquarters in Washington, D.C. According to the PRC, remote work is an arrangement under which an employee performs their duties and responsibilities permanently from a geographic area beyond the Washington, D.C., local commuting area (usually more than 50 miles from PRC Headquarters). However, the PRC has also allowed employees within the local commuting area to remote work as well. The PRC issued specific guidance about how many employees can work remotely and how employees working outside of the headquarters region are compensated. For CY 2024 specifically, there were 14 employees who worked remotely within the local commuting area of PRC Headquarters, while 18 remote employees lived outside of the Washington, D.C., local commuting area.

Exceeding Remote Work Cap

The PRC has five internal offices: Office of Accountability and Compliance, Office of Budget and Finance, Office of the General Counsel (OGC), Office of Secretary and Administration, and Office of Public Affairs and Government Relations.[4] According to PRC policy,[5] the remote work program is limited to 35 percent of staff per office, except for the Office of Public Affairs and Government Relations, due to its smaller size. The policy states that exceptions may be granted to an internal office to exceed the 35 percent limit for specific needs, such as to accommodate a health issue or because employees have specific skill sets that are extremely hard to find. In addition, the policy states that remote work agreements established before the agency policy was updated in 2022 do not need to be included in cap calculations.

During the audit, we reviewed records for all five offices and the remote work agreements for 23 employees who worked remotely in CY 2022; 28 remote employees in CY 2023; and 32 remote employees in CY 2024. We found four of the five offices were within the 35 percent threshold for remote employee cap. However, OGC exceeded the cap by 2 percent in CY 2022, 10 percent in CY 2023, and 9 percent in CY 2024.

The PRC approved specific OGC employees for remote work before it created a cap, and the PRC also granted exceptions for two attorneys who wanted to begin remote work under the special skill set exemption.

When HR calculated OGC's remote work cap, it removed the pre-approved and exempted employees from being classified as remote due to their exemption, but HR did not exclude these employees from the total employee count used to calculate the percentage of remote employees. Typically, these employees would be removed from the total employees in the office and the employees participating in remote work, not just one of the two. Regardless, even after excluding the exempt employees, OGC still exceeded the allowable cap as outlined in its policy for remote work in CYs 2022-2024. To remain under the cap, HR also counted vacant positions in the total employee count.

Allowing some offices to exceed the remote work cap and receive long-term exemptions may lead to unintended consequences, including potential adverse effects on organizational culture or workplace satisfaction.

Inconsistent Application of Locality Pay

The PRC did not apply its locality pay policy for remote workers consistently. We analyzed employment data for the 14 employees who worked outside of the local commuting area in CY 2024 to assess whether any became remote or were hired as remote during our scope, and, if yes, whether locality pay adjustments were applied. We found two newly hired remote employees domiciled more than 50 miles from headquarters, for whom the PRC considered location when setting their initial salaries during CY 2022. However, we also identified another remote employee who moved more than 50 miles

3 Throughout this report, we will refer to remote telework as remote work.
4 The PRC has changed its categories of internal offices over time — this list is the offices in CY 2024. In addition, there is another separate grouping that represents all Commissioners and their staff.
5 Commission Policy: *Telework Programs,* Remote Telework, page 7, Revision 4.0, dated August 1, 2022.

from headquarters during the same year who did not have a pay adjustment to reflect the new cost of living.

The law gives the PRC wide latitude to create a pay structure that meets the agency's needs.[6] The PRC is not required to follow the General Schedule (GS) pay tables or provide locality pay. However, it has decided to compensate employees with a pay scale loosely based on the GS pay tables for the Washington, D.C., locality pay area.[7] The PRC's sole office is in Washington, D.C.

The telework policy[8] includes a section on pay for employees' remote working based on two categories: those that began as remote workers and workers who became remote after being hired. The PRC considers location when setting initial salaries for new-to-the-agency remote workers. Specifically, HR determines an employee's starting salary based on the GS pay table associated with the location where the remote worker lives. The policy also says incumbent employees who choose to relocate outside of the Washington, D.C., commuting area will have their salary adjusted[9] based on the difference in locality pay from the Washington, D.C., commuting area.

The PRC chose to start some new employees' pay based on locality but decided not to apply this to the other remote employee who moved away from the Washington, D.C., region in CY 2022. Management stated that applying locality pay was not practical because the PRC uses Postal Service systems to pay its employees, and the Postal Service does not have locality pay. However, the PRC uses a different salary schedule than the Postal Service, and it was able to apply a different salary for some remote employees.

The PRC is not required to apply locality pay, but when it codified a policy to include locality in pay decision-making, it should have applied the policy consistently. This created pay differences between newly hired remote employees and existing PRC employees moving to remote work.

"The PRC chose to start some new employees' pay based on locality but decided not to apply this to the other remote employee who moved away from the Washington, D.C., region in CY 2022."

The PRC could potentially overpay employees that live in lower cost locales by using the Washington, D.C., pay table — which is one of the highest pay scales in the GS pay tables[10] — rather than the locality pay applicable to the employee's actual remote location and official worksite.[11]

Recommendation #1

We recommend the **Secretary and Chief Administrative Officer,** in conjunction with **Human Resources**, restructure and reduce the number of remote work agreements to comply with its established remote telework cap policy.

Recommendation #2

We recommend the **Secretary and Chief Administrative Officer** consistently apply locality pay for remote Postal Regulatory Commission employees or remove the locality pay component from the telework policy.

Postal Regulatory Commission Response

The Postal Regulatory Commission disagreed with recommendation 1 and partially agreed with recommendation 2.

6 39 U.S.C. §§ 504(c) and 1003(a).
7 GS pay tables based on the locality pay area of Washington-Baltimore-Arlington, DC-MD-VA-WV-PA, https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/DCB.pdf for CY 2024.
8 Commission Policy: *Telework Programs*, section IV, Telework Programs, Revision 4.0, dated August 1, 2022.
9 Locality pay adjustments will not be increased but may result in a decrease in compensation to fund PRC-required travel for remote workers.
10 For "highest pay scale" alignment, see https://www.federalpay.org/gs/locality. For 2025, 2024, 2023, and 2022, the WASHINGTON-BALTIMORE-ARLINGTON, DC-MD-VA-WV-PA GS locality has been in the top five highest pay scales each year.
11 For "official worksite" definition and additional details, see the United States Office Of Personnel Management's 2021 Guide to Telework and Remote Work in the Federal Government (*Leveraging Telework and Remote Work in the Federal Government to Better Meet Our Human Capital Needs and Improve Mission Delivery*), pages 10 and 31, https://piv.opm.gov/telework/documents-for-telework/2021-guide-to-telework-and-remote-work.pdf.

Regarding recommendation 1, management stated it followed its established remote work policy, including its exemption provisions. Management calculated cap compliance by including all employees in an office and subtracting those with approved exceptions from the numerator. PRC management said using this mathematical approach reflected the policy's intent, preserved consistency, and allowed all offices to remain within the policy's limits.

Regarding recommendation 2, management recognized the need to clarify and refine how locality pay is addressed in their telework policy, but management stated the OIG did not consider systemic payroll constraints in its review date is May 29, 2026.

OIG Evaluation

OIG did not consider management's comments responsive to recommendation 1, viewing the disagreement as unresolved. To arrive at this recommendation, the OIG calculated cap compliance by including all employees in an office. When considering excepted employees, we removed those employees from the numerator as well as the denominator in the equation to provide balance between the two groups. Additionally, PRC management included amounts for unfilled vacancies in the denominator, further complicating the makeup of the groups used in the cap compliance calculation. We will pursue the disagreement with this recommendation through the audit resolution process.

Regarding recommendation 2, the OIG found management's comments responsive, and the corrective actions should resolve the issues identified in the report.

Finding #2: Inconsistent Hiring Incentives Policy

The PRC implemented a hiring incentive budget to give the agency appropriate flexibility to successfully recruit and onboard top talent. The hiring incentive is applied on a case-by-case basis to individual candidates whom the hiring officials identify as having highly desirable and in-demand skills that would support the mission-critical work of the PRC.

During CYs 2022, 2023, and 2024, the PRC paid a total of over $83,000 to nine employees in hiring incentives to attract highly qualified personnel. We found the PRC's Continuous Service Agreement (CSA) template used to onboard employees receiving hiring incentives did not align with PRC policy.

> "During CYs 2022, 2023, and 2024, the PRC paid a total of over $83,000 to nine employees in hiring incentives to attract highly qualified personnel."

A hiring incentive budget was created April 6, 2022, through a memo from the Chairman.[12] The memo stated the recruitment incentive was to be structured similarly to the PRC's existing retention incentive program. According to the retention incentive policy that was already in place, an employee receiving an incentive was required to sign a two-year service agreement with the PRC, and if an employee separated from the PRC prior to completing the service agreement's terms, they were required to repay any portion of the incentive already received.[13] Additionally, the policy stated that management may terminate the incentive should the employee leave the position for which the incentive was authorized or if the employee's performance rating was below "Fully Successful."[14]

The PRC's CSA template for hiring incentives included the two-year service agreement, but the stipulations for leaving the agency were different from the retention incentive policy. The CSA template stipulates, "if the employee *voluntarily leaves* before completing the required service period, they must reimburse the PRC for the full amount of the hiring incentive." During FYs 2022-2024, there were two employees who received sign-on bonuses who left the PRC involuntarily within their first two years of service. Because of the wording of the CSA, these employees were not required to pay back a prorated amount of their sign-on bonus.

The PRC did not consider existing guidelines in the recruitment incentive policy when establishing the related requirements in the CSA. This led to a small financial loss, and until the CSA is aligned with policy, the PRC is at risk of losing additional funds when new employees are involuntarily separated.

Recommendation #3

We recommend the **Secretary and Chief Administrative Officer** incorporate hiring incentive language into an incentive policy and align the continuous service agreement template.

Postal Regulatory Commission Response

While management disagreed that its current CSA terms reflected a policy deficiency, they agreed with recommendation 3. The PRC will formalize distinctions in a consolidated incentive policy for transparency and ease of application, with a target implementation date of May 29, 2026.

OIG Evaluation

The OIG found management's comments responsive to recommendation 3, and the corrective actions should resolve the issues identified in the report.

12 Decision Analysis (DA) — PRC's Budget Approval Request — *Recruitment Incentive Budget*, April 6, 2022.
13 PRC Policy: *Retention Incentive*, HR-021, section IV, Amount and Terms of Incentive Payment, effective June 12, 2013, reissued May 29, 2020.
14 PRC Policy: *Retention Incentive*, HR-021, section IV, Review and Termination of Incentive Payment, effective June 12, 2013, reissued May 29, 2020.

Finding #3: Internal Controls for Employee Leave

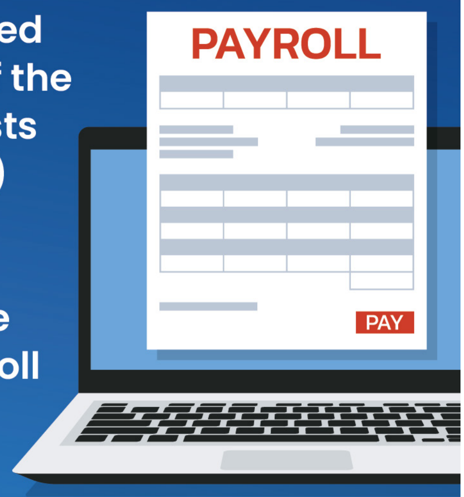
At the PRC, leave is managed through an in-house system, the Leave and Schedule Center application (LSC app). Through the LSC app, staff can request various types of leave in as few as 15-minute increments. Leave options at the PRC include annual, sick, administrative, compensatory, and time-off awards, among others. PRC timekeepers then enter approved leave requests from the LSC app into the Postal Service's Enterprise Resource Management System (eRMS), which serves as the system for leave records.[15]

During our scope period of CYs 2022, 2023, and 2024, we obtained a universe of 4,056 approved leave requests and selected a random sample of 200 for testing. We identified that four of the 200 requests (2 percent) could not be verified against the PRC's payroll journal.

Specifically, the PRC had two instances where the employees' accrued annual leave and sick leave were not correctly charged for leave used. One employee was not charged for 24 hours of annual leave taken. A second employee was not charged for 17 hours of sick leave taken. According to the PRC, the timekeeper entered these leave requests correctly into eRMS. However, due to a system error, the data did not process correctly, and the PRC's HR team was not aware of this issue. In addition, there were two leave requests for two employees — totaling four hours of personal leave and one hour of COVID leave — that were not properly recorded in the payroll journal. According to the PRC, these leave entries were not entered into the timekeeping system by the PRC's timekeeper. They were documented within the PRC internal leave system, but not officially accounted for in the eRMS system.

These errors occurred because the PRC does not have any internal controls over reviewing system errors or ensuring that leave was properly entered by the timekeeper. For example, the PRC does not do a periodic internal audit of timekeeping to identify issues. The PRC's leave policy[16] states that the chairman is responsible for overseeing the leave program. Additionally, a memo[17] issued to timekeepers in October 2021 requires them to follow the eRMS Leave Entry Guide, which provides detailed procedures for entering leave into the eRMS system to ensure accurate recording and reporting of employee leave.

We identified that four of the 200 requests (2 percent) could not be verified against the PRC's payroll journal.



While the sample we reviewed identified a small percentage of errors, when leave is not properly entered and verified by timekeepers to ensure system errors did not occur, the PRC is at risk of improperly accounting for leave benefits. This may also create risks for the PRC related to additional costs for correcting errors, such as retroactive pay adjustments or unanticipated liabilities for the affected employees. The PRC became aware of the issues because of our audit and updated employees' accrued leave balances. Based on our statistical sample, we determined these leave discrepancies resulted in $38,370 of supported questioned costs.[18]

15 While the PRC is independent of the Postal Service, it uses some of its systems, including those used for processing leave and pay.
16 Commission Policy: Leave, Section V Responsibilities, Revision 4.0, dated October 4, 2022.
17 *IMPORTANT: Immediate Timekeeping System Changes*, issued October 6, 2021, by PRC Human Resources.
18 A cost the OIG believes is unnecessary, unreasonable, or an alleged violation of law, regulation, or contract. Questioned costs should be calculated for not more than 2 years or 24 months historical immediately prior to the audit. Generally, this category applies to events which occurred prior to the audit.

Recommendation #4

We recommend the **Secretary and Chief Administrative Officer,** in conjunction with **Human Resources**, develop an internal control process to verify timekeeper entries for leave requests are accounted for properly.

Postal Regulatory Commission Response

Management agreed with recommendation 4, acknowledging the need for additional controls to ensure accuracy of leave data. Management also said it is developing a reconciliation process to periodically verify leave entries and address system or manual entry issues moving forward, with a target implementation date of September 30, 2025. In subsequent correspondence, management agreed with the monetary impact.

OIG Evaluation

The OIG found management's comments responsive to recommendation 4, and the corrective actions should resolve the issues identified in the report.

Looking Forward

The PRC is in a period of change regarding which benefits it offers to staff. As it adjusts operations, it creates an opportunity to review policy and amend it, as needed. For example, on March 31, 2025, the PRC circulated interim guidance for in-office requirements, and management stated it anticipates the possibility for further changes to policy. As changes occur, the PRC will need to verify it collects appropriate documentation to track compliance across offices and take the applicable steps to validate adherence to policy.

Appendices

Appendix A: Additional Information

Scope and Methodology

The scope of our audit was CYs 2022, 2023, and 2024.

To answer our objective, the audit team examined the PRC's compensation and benefits related to the following areas of focus:

- Compensation, including locality pay
- Transit Benefits
- Bonuses and Awards
- Telework
- Remote Work
- Work Schedules
- Leave
- Retention Incentives and Hiring Incentives

During the audit, the audit team reviewed applicable laws, regulations and policies, and conducted interviews and follow-up communication with PRC staff. The audit team reviewed, compared, and analyzed data provided by the PRC to data the audit team obtained from the U.S. Postal Service. Random samples were used for certain focus areas.

We conducted this performance audit from December 2024 through June 2025 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on May 28, 2025, and included its comments, where appropriate.

In planning and conducting the audit, we obtained an understanding of leave requests, telework agreements, work schedules, transit benefits, and bonuses and on the spot awards internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the programs and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following four components were significant to our audit objective:

- Control Activities
- Control Environment
- Information and Communication
- Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to leave requests, remote work caps and hiring incentives that were significant within the context of our objectives. Specific deficiencies included control activities, control environment, information and communication activities and monitoring. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of PRC data by testing a random sample of transactions and comparing them to the Postal Service's payroll register (CY 2022: *20 samples*; CY 2023: *20 samples*; and CY 2024: *22 samples*). We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit within the last five years.

Appendix B: Management's Comments

U.S. POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Office of the Secretary and Administration

June 17, 2025

Victoria Smith
Acting Director, Audit Services
U.S. Postal Service Office of Inspector General (USPS OIG)

RE: Draft Report – Postal Regulatory Commission Compensation and Benefits (Project Number 25-033-DRAFT)

Dear Acting Director Smith,

The Postal Regulatory Commission (Commission) has reviewed the findings and recommendations contained in the subject audit and appreciates the Inspector General's efforts to assess the Commission's compliance with compensation and benefits policies. The Commission appreciates the efforts of the Inspector General in reviewing the compliance of its compensation and benefits programs. The Commission supports continuous improvement of its human capital policies and practices and agrees with certain recommendations where clarification or standardization will enhance internal controls. However, the Commission respectfully disagrees with aspects of the audit's methodology and conclusions where they diverge from established Commission policy, intent, and implementation, or where they are unsupported by OIG analysis or facts.

Recommendation 1: We *recommend the Secretary and Chief Administrative Officer, in conjunction with Human Resources, restructure and reduce the number of remote work agreements to comply with its established remote telework cap policy.*

Response: The Commission respectfully disagrees with this recommendation. The Commission followed its established remote work policy, including its exemption provisions, as approved by the Chairman. During the exit interview, the OIG agreed that there was no breach of policy as long as remote work exemptions were fully documented, an approach the Commission followed by submitting justification for each remote employee. The OIG's comments suggest a focus on the Commission's remote work policy itself, rather than its implementation. OIG's interpretation relies on an alternative method for calculating the remote work cap, which is inconsistent with the Commission's established approach.

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The Commission calculates cap compliance by including all employees in an office and subtracting those with approved exceptions from the numerator, an approach that reflects the policy's intent and preserves consistency. Based on this approach, all offices remained within the policy's limits.

Target Implementation Date: N/A – No action planned.

Recommendation 2: We *recommend the Secretary and Chief Administrative Officer consistently apply locality pay for remote Postal Regulatory Commission employees or remove the locality pay component from the telework policy.*

Response: The Commission agrees in part with this recommendation and will evaluate the appropriate corrective action. The Commission recognizes the need to clarify and refine how locality pay is addressed in its telework policy. However, the OIG's assertion that inconsistent locality pay practices occurred fails to account for systemic constraints imposed by the USPS payroll platform. We will review policy language to improve clarity and ensure alignment with both statutory authority and payroll system capabilities.

Target Implementation Date: May 29, 2026.

Recommendation 3: *We recommend the Secretary and Chief Administrative Officer incorporate hiring incentive language into an incentive policy and align the continuous service agreement template.*

Response: The Commission agrees with incorporating hiring incentive provisions into a broader policy document. However, we disagree with the recommendation's implication that the current Continuous Service Agreement (CSA) terms reflect a policy deficiency. The CSA's treatment of voluntary versus involuntary separation was a deliberate policy decision intended to distinguish between employee-initiated and agency-initiated separations. The Commission's approach is consistent with sound workforce management practices and tailored to its operational needs. Nevertheless, we will consider formalizing these distinctions in a consolidated incentive policy for transparency and ease of application.

Target Implementation Date: May 29, 2026.

Recommendation 4: *We recommend the Secretary and Chief Administrative Officer, in conjunction with Human Resources, develop an internal control process to verify timekeeper entries for leave requests are accounted for properly.*

Response: The Commission agrees with this recommendation. The Commission acknowledges the need for additional controls to ensure the accuracy of leave data from its internal leave system and manually entered into the USPS Enterprise Resource Management System (eRMS). While the OIG identified a small number of discrepancies (2%) in a random sample, all instances were promptly corrected during the audit period. The Commission is developing a reconciliation process to periodically verify leave entries and address any system or manual entry issues moving forward.

Target Implementation Date: September 30, 2025.

Sincerely,

ERICA BARKER

Digitally signed by ERICA BARKER
Date: 2025.06.17 14:10:40 -04'00'

Erica Barker
Secretary and Chief Administrative Officer

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Contact us via our Hotline and FOIA forms. Follow us on social networks. Stay informed.

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