



Office of Inspector General | United States Postal Service

## Audit Report

# Informal Grievance Oversight

Report Number 19SMG007HR000-R20 | July 14, 2020



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# Highlights

## Objective

The U.S. Postal Service defines a grievance as a dispute, difference, or disagreement between parties or a complaint lodged by a party regarding wages, hours, or conditions of employment. The informal grievance process allows employees to discuss and settle grievances with their immediate supervisor; however, if there is no resolution, the employee or union can file a formal grievance.

While informal grievances do not require supporting documentation, formal grievance files must have a copy of the informal grievance appeal and applicable Postal Service forms. Both types of grievances are entered in the Grievance and Arbitration Tracking System (GATS), which is used to pay grievance settlements, and to document and track the steps in the grievance process and payments made to the grievant. GATS includes issue codes, which categorize the type of grievance.

Article 30 of the national agreements enables both parties at the local level to enter into a local implementation process to review and negotiate over certain work rules and other terms and conditions of employment. It also provides that a current local memorandum of understanding (MOU) between the Postal Service and its unions remains in effect during the term of a new national agreement unless the parties change it through subsequent local implementation or related impasse procedures.

Supervisors receive a number of training courses on grievance handling that include, but are not limited to labor relations for operations, GATS requirements, and overtime administration. Additionally, supervisors have the authority to settle and make informal grievance payments to an employee at any time. Some districts have implemented a monetary threshold that requires a higher-level manager review of grievance payments that exceed a certain amount prior to payment. Since Postal Service policy does not require monetary thresholds, not all districts have this additional control.

Our objective was to assess the effectiveness of the Postal Service's informal grievance oversight. We reviewed informal grievance processes for 10 judgmentally selected facilities in eight Postal Service districts within four Postal Service areas. Specifically, we selected eight facilities based on their high grievance costs and high number of grievance payments and two based on their lower grievance costs compared to similarly sized facilities. These facilities included both processing and retail functions.

## Findings

The Postal Service's oversight of informal grievances is not effective. Informal grievance costs and number of payments have continued to trend upward from fiscal years (FY) 2013 through 2018. Specifically:

- Costs have increased from about \$30.4 million in FY 2013 to \$48.8 million in FY 2018 (61 percent). The number of payments increased from 344,459 in FY 2013 to 435,912 (27 percent) in FY 2018. More recently, from FY 2017 to 2018, costs increased from about \$37.6 million to \$48.8 million (30 percent) and payments increased from 355,071 to 435,912 (23 percent).
- Over the five-year period (FYs 2013 through 2018), the Southern Area paid the highest amount of informal grievance costs (\$69.2 million) and had the highest number of payments (787,646) compared to the other six Postal Service areas.
- In FY 2018 only, the Western Area paid the highest amount of informal grievance costs, totaling about \$18.2 million over 144,090 payments. Of the Postal Service's 67 districts, the Houston District had the highest amount of informal grievance costs and payments totaling about \$5.7 million consisting of 78,115 payments. At the employee level, one employee in the Greater Michigan District received informal grievance payments totaling \$40,475, represented by 93 payments.

In addition, opportunities exist to improve informal grievance oversight. Specifically:

- Management in seven of the eight districts had established monetary thresholds for higher-level management review of informal grievance payments. However, there was no consistency among the districts regarding communicating threshold requirements and documenting reviews of payments that exceeded the thresholds. Management at two of the seven districts communicated their threshold requirements verbally rather than in writing. Additionally, none of the seven districts documented their reviews of grievance payments, but communicated their reviews verbally.
- Of the 25 supervisors interviewed, 24 did not take the one-time mandatory Labor Relations: Grievance Handling course; seven did not take the one-time mandatory New Supervisor Program course or its predecessor, Associate Supervisor Program; and seven did not take either course. In addition, nine of the 25 supervisors who took at least one of the mandatory training classes indicated that the course content did not contain enough practical knowledge to handle specific grievance issues.

In addition, management did not maintain a central repository or database of contractual documentation, such as local MOUs and related settlement agreements and could not always identify total grievance payments associated with each of these contractual obligations obtained from the sites we reviewed. This hindered management's ability to effectively track and monitor financial obligations, negotiate and make changes to prospective agreements, and identify potential issues and/or training needs.

Finally, in many instances, GATS issue codes were outdated, inaccurate, or non-descriptive in GATS and the GATS Entries Handbook. There were 1,721 issue codes used in GATS, between FYs 2013 and 2018 and 2,104 codes in the January 2000 GATS Handbook.

These conditions occurred because:

- Management does not have a plan to monitor and reduce informal grievance costs and number of payments and needs an aggressive plan with milestones to accurately identify and address grievance causes.
- There was no Postal Service policy or guidance for establishing and communicating monetary thresholds that required higher-level manager review or for documenting reviews of grievances that exceeded set thresholds.
- Management did not enforce the training policy and supervisors indicated that methods other than course training were more effective learning tools in obtaining knowledge on grievances.
- There was no requirement to maintain a central repository or database of local MOUs and related agreements between the Postal Service and the unions.
- Management had not reviewed or updated GATS issue codes since calendar years 2006 and 2007.

Reducing informal grievance costs and payments and increasing the accountability for grievance oversight are critical to ensuring that settlements are valid and equitable; reducing the Postal Service's risk of additional grievances being filed and improper payments being administered without detection; and reducing costs to process settlement payments. These factors may also affect employee morale, vacancy, and turnover rates.

## Recommendations

We recommended management:

- Develop an action plan, with milestones, to manage and reduce informal grievances costs and payments.
- Formalize and communicate monetary thresholds for informal grievances and review payments that exceed the established thresholds.
- Reiterate compliance with the Postal Service's training policy that requires all supervisors to attend mandatory grievance handling courses and review existing training curriculum to ensure it adequately covers grievance handling procedures.
- Establish a centralized repository or database of local MOUs and other contractual agreements.
- Implement and communicate tracking methods for payments stemming from these local MOUs and other contractual agreements to allow for transparency and accountability.
- Update issue codes in GATS and the *GATS Entries Handbook* to include clear definitions and instructions for use and establish timeframes for periodic updates.

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

July 14, 2020

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

E-Signed by Jason Yovich  
E-Verify Authenticity with eSign Desktop

**FROM:** Jason M. Yovich  
Deputy Assistant Inspector General  
for Supply Management & Human Resources

**SUBJECT:** Audit Report – Informal Grievance Oversight  
(Report Number 19SMG007HR000-R20)

This report presents the results of our audit of Informal Grievance Oversight.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Anthony D. Williams, Acting 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 Informal Grievance Oversight (Project Number 19SMG007HR000). Our objective was to assess the effectiveness of the U.S. Postal Service's informal grievance oversight. We judgmentally selected and reviewed informal grievance processes for 10 facilities in eight Postal Service districts within four Postal Service areas. These facilities represent both processing and retail functions.

## Background

The Postal Service defines a grievance as a dispute, difference, or disagreement between parties or a complaint lodged by a party regarding wages, hours, or conditions of employment. A grievance includes, but is not limited to, an employee or union complaint involving the interpretation or application of or compliance with a collective bargaining agreement, any local memorandum of understanding (MOU), or a related agreement.<sup>1</sup> The informal grievance process allows employees to discuss and settle grievances with their immediate supervisor; however, if there is no resolution, the employee or union can file a formal grievance.

While informal grievances do not require supporting documentation, formal grievance files must have a copy of the informal grievance appeal and applicable Postal Service forms. Both types of grievances are entered in the Grievance and Arbitration Tracking System (GATS), which is used to pay grievance settlements, maintain accountability and supporting documentation, and conduct labor relations activities, such as researching grievances, appeals, disputes, and decisions.<sup>2</sup> Within GATS are issue codes which categorize a grievant's complaint or alleged violation of an agreement.

Article 30 of the national agreements between the Postal Service and three of the four major unions<sup>3</sup> enables both parties at the local level to enter into a local implementation process to review and negotiate certain work rules and

other terms and conditions of employment according to their own preferences and circumstances. It also provides that a current effective local MOU, which is an enforceable agreement between the Postal Service and its unions, remains in effect during the term of a new national agreement unless the parties change it through subsequent local implementation or related impasse procedures. No provision of a local MOU may be inconsistent or in conflict with the national agreement.

Supervisors receive a number of training courses on grievance handling that include, but are not limited to labor relations for operations, GATS requirements, and overtime administration. Additionally, supervisors have the authority to settle and make informal grievance payments to an employee at any time. Some districts have implemented a monetary threshold requiring a higher-level manager review of grievance payments that exceed a certain amount prior to payment. Monetary thresholds are not required by Postal Service policy; therefore, not all districts have these additional controls.

## Finding #1: Informal Grievance Costs and Payments

The Postal Service's oversight of informal grievances is not effective. Informal grievance costs and number of payments have continued to trend upward nationwide from fiscal years (FY) 2013 through 2018. As shown in [Figure 1](#), the payment amounts increased from about \$30.4 million to \$48.8 million (61 percent). The number of payments increased from 344,459 in FY 2013 to 435,912 (27 percent) in FY 2018. More recently, from FY 2017 to 2018, costs

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***“Informal grievance costs and number of payments have continued to trend upward nationwide from fiscal years 2013 through 2018.”***

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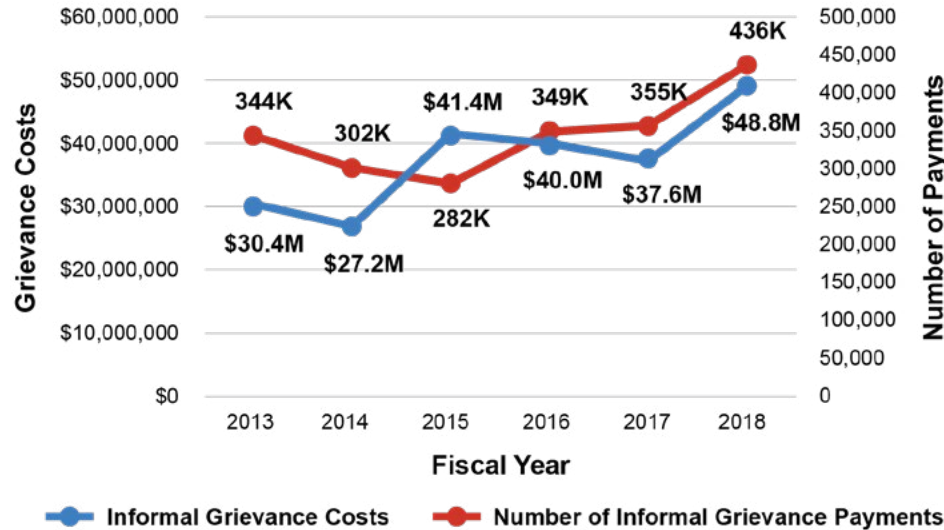
<sup>1</sup> Handbook EL-901, *Agreement Between United States Postal Service and National Association of Letter Carriers (NALC)*, AFL-CIO 2016-2019, Article 15: Grievance-Arbitration Procedure, page 64, effective May 21, 2016.

<sup>2</sup> The Postal Service's Labor Relations Systems group is responsible for managing GATS.

<sup>3</sup> *USPS-NALC Joint Contract Administration Manual*; *USPS-APWU Joint Contract Interpretation Manual*; and *USPS-NPMHU Contract Interpretation Manual*.

increased from about \$37.6 million to \$48.8 million (30 percent) and the number of payments increased from 355,071 to 435,912 (23 percent).

**Figure 1. Informal Grievance Costs and Payments FYs 2013 through 2018**



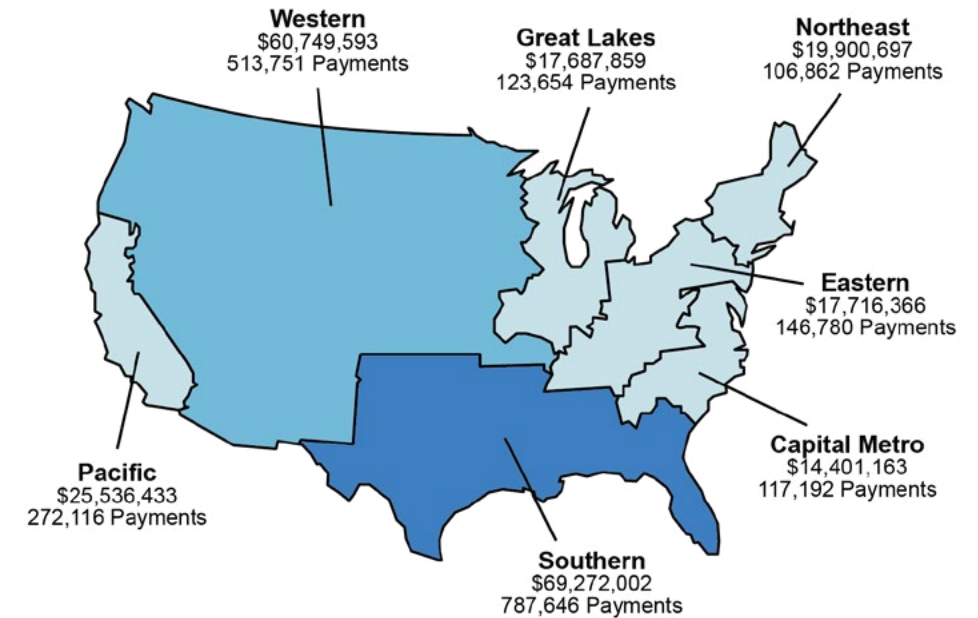
Source: GATS.

The following informal grievance statistics show the rankings of the Postal Service's areas, districts, and employees.

**Area and District Informal Grievances**

Over the five-year period (FYs 2013 through 2018), the Southern Area paid the highest amount of informal grievance costs and had the highest number of payments when compared to the other six Postal Service areas. Specifically, the Southern Area paid \$69.2 million in informal grievance costs covering 787,646 payments. This was 14 percent more in costs (\$8.5 million more) and 53 percent more in payments (273,895 more) than the Western Area, the next highest area with informal grievance activity. See Figure 2 for statistics for all Postal Service areas.

**Figure 2. Informal Grievance Costs and Payments by Area FYs 2013 through 2018**



Source: GATS.

However, in FY 2018 only, the Western Area paid the highest amount of informal grievance costs totaling about \$18.2 million covering 144,090 payments. The Southern Area had the second highest costs totaling about \$13.5 million but with slightly higher payments than the Western Area at 144,502 payments. In addition, the Southern Area had 7.2 payments per payee in the area, the highest out of any Postal Service area (see Table 1).



**Table 1. Informal Grievance Costs & Payments by Area in FY 2018**

Area	Amount Paid	Payments	Employees	Average Payments Per Employee
Western	\$18,252,956	144,090	27,322	5.3
Southern	13,532,249	144,502	19,964	7.2
Great Lakes	4,168,105	26,851	9,617	2.8
Pacific	3,911,626	47,426	10,316	4.6
Northeast	3,787,928	25,413	8,152	3.1
Capital Metro	2,930,326	27,283	6,998	3.9
Eastern	2,168,239	20,329	7,891	2.6
<b>Total</b>	<b>\$48,751,429</b>	<b>435,894</b>	<b>90,260</b>	<b>4.8</b>

Source: Application System Reporting (ASR).

The Houston District, in FY 2018, had the highest amount of both informal grievance costs and payments of the Postal Service's 67 districts. The district's informal grievance costs totaled about \$5.7 million consisting of 78,115 payments. Houston also had the most payments per payee of any district with 19.0. See Table 2 for the top 10 districts' informal grievance costs and payments.

**Table 2. Informal Grievance Costs and Payments for Top 10 Districts in FY 2018**

Area	Amount Paid	Payments	Employees	Average Payments Per Employee
Houston	\$5,657,196	78,115	4,105	19.0
Portland	4,192,893	32,245	3,555	9.1
Seattle	2,760,644	14,610	3,357	4.4
Colorado-Wyoming	2,212,403	19,498	3,743	5.2
Arizona	1,963,772	22,921	3,705	6.2
Bay-Valley	1,951,026	24,510	2,457	10.0
Hawkeye	1,592,351	13,146	2,473	5.3
South Florida	1,558,023	14,781	3,035	4.9
Northland	1,214,464	10,288	2,951	3.5
Dakotas	1,197,044	6,045	1,311	4.6
<b>Total</b>	<b>\$24,299,816</b>	<b>236,159</b>	<b>30,692</b>	<b>7.7</b>

Source: ASR.

## Employee Informal Grievances

In FY 2018, one employee in the Greater Michigan District received informal grievance amounts totaling \$40,475 over 93 payments, which was the highest amount paid nationwide. This employee averaged about \$3,600 in costs and

about eight informal grievance payments a month. Additionally, this employee's facility had grievance payment activity that averaged about 13 payments per payee. See Table 3 for the top 10 employees with the most informal grievance payments in FY 2018.<sup>4</sup>

**Table 3. Informal Grievance Costs for Top 10 Employees in FY 2018**

Employee	Position	Facility	District	Amount Paid	Payments	Payments at Facility	Employees in Facility	Average Payments Per Employee
1	Sales and Services Distribution Associate	[REDACTED]	Greater Michigan	\$40,475	93	399	30	13.3
2	Mail Handler	[REDACTED]	Portland	\$37,417	44	464	40	11.6
3	Lead Sales and Service Associate	[REDACTED]	Seattle	\$33,841	35	3,937	116	33.9
4	City Carrier	[REDACTED]	Portland	\$33,710	178	2,801	44	63.7
5	Mail Handler	[REDACTED]	Arkansas	\$31,767	80	5,255	354	14.8
6	General Expeditor	[REDACTED]	Seattle	\$31,405	44	3,937	116	33.9
7	Mail Processing Clerk	[REDACTED]	Seattle	\$29,700	42	1,416	109	13.0
8	Mail Handler	[REDACTED]	Arkansas	\$27,585	80	5,255	354	14.8
9	Mail Processing Clerk	[REDACTED]	Hawkeye	\$27,561	12	1,137	284	4.0
10	Sales and Services Distribution Associate	[REDACTED]	Westchester	\$27,193	22	71	8	8.9
<b>Total</b>				<b>\$320,654</b>	<b>630</b>	<b>24,672</b>	<b>1,455</b>	<b>17.0</b>

Source: GATS.

<sup>4</sup> We made referrals to the U.S. Postal Service Office of Inspector General's (OIG) Office of Investigations regarding these issues.

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***“Overtime and cross craft-related grievances were two of the top nationwide grievance issues between FYs 2013 and 2018.”***

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Postal Service managers at every level can review grievance activity in GATS. GATS users can research grievances and appeals, issues most frequently in dispute, decisions, win rates, and settlement costs. In addition, monitoring and reviewing GATS internal controls are essential tasks to produce valid and reliable data, and labor relations managers at both the area and district levels have a responsibility to review these controls periodically to ensure grievance settlements are valid, accurate, and properly allocated.<sup>5</sup>

Overtime and cross craft-related grievances were two of the top nationwide grievance issues between FYs 2013 and 2018. According to district and facility management at eight districts and ten facilities we reviewed, overtime, and cross craft grievances were caused primarily by issues related to staffing (e.g., absenteeism, attendance, turnover) and supervisor inexperience with handling grievances. In two of the eight districts, the opening of a new auxiliary service facility in FY 2016 and the removal of a bundle sorter machine at a facility in FY 2018 also caused both grievance types to increase.

Without aggressive efforts or action plans to manage and reduce informal grievance costs and payments, the Postal Service risks an increase of both additional grievances filed and costs to process settlement payments. Additionally, the Postal Service could assess the progress of reducing informal grievance costs and payments by ensuring the districts are focusing on informal grievances and their associated costs.

**Recommendation #1**

We recommend the **Vice President, Labor Relations**, develop an action plan, with milestones, to manage and reduce informal grievance costs and payments.

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<sup>5</sup> Grievance and Arbitration Tracking System Internal Controls memorandum, Vice President, Labor Relations, pages 1-2, December 31, 2013.

<sup>6</sup> Handbook EL-921, *Supervisors Guide to Handling Grievances*, page 16, April 2015.

## **Finding #2: Informal Grievance Oversight**

Opportunities exist to improve informal grievance oversight. Specifically, at the 10 facilities reviewed, managers did not document higher-level reviews of grievance payments that exceeded established monetary thresholds, as required by their respective districts. In addition, supervisors did not take mandatory grievance-related training.

### **Monetary Thresholds**

Postal Service supervisors have the authority to settle grievances at the lowest possible step of the grievance process.<sup>6</sup> To augment this process, some districts implemented monetary thresholds that require higher-level manager review of grievance payments that exceed a certain amount prior to payment. While monetary thresholds are not required by Postal Service policy, for those districts we reviewed that did have a control, we identified there was no consistency regarding communicating threshold requirements and documenting reviews of payments that exceeded the threshold amount.

Communicating threshold requirements and documenting reviews of payments that exceeded threshold amounts vary by location and are determined based on the needs of each district. As such, management in seven of the eight districts we reviewed established monetary thresholds for their facilities to use to monitor and review grievance activity. Two of the seven districts communicated their threshold requirements verbally rather than in writing. In addition, management in the seven districts did not document reviews of grievance payments that exceeded their threshold amounts but communicated their reviews verbally.

**Table 4** represents amounts paid at the facilities we reviewed that had established thresholds. For example, one facility in the Arkansas District had the highest amount of grievances paid and the number of grievance payments above its monetary threshold, with about \$1.7 million paid representing 6,893 payments.

**Table 4. District Monetary Thresholds Ranked by Amount Paid**

Facility	District	Threshold	Above Threshold	
			Amount Paid	Payments
1	Arkansas	\$100	\$1,729,709	6,893
2	Northern New England	\$75	\$648,170	2,817
3	Dakotas	\$100	\$642,198	585
4	Bay-Valley	\$100	\$455,687	2,181
5	Portland	\$250	\$332,139	789
6	Colorado-Wyoming	\$100	\$145,461	498
7	Arizona	\$500	\$89,308	124
8	Portland	\$250	\$47,211	114
9	Dakotas	\$100	\$39,824	208
10	Seattle	Did not establish a monetary threshold		

Source: ASR.

Monetary thresholds are not intended to limit the authority of the immediate supervisor or undermine any contractual language but are used as a method to ensure fiduciary responsibility.<sup>7</sup> It is the supervisor’s responsibility to ensure they are making informed decisions based on a thorough review and investigation of the facts. Local policies do not require management to document or identify when reviews occur; however, documentation helps ensure consent and expectations; helps to explain the narrative for decisions made; and is important for support, reasoning and maintaining compliance.<sup>8</sup>

According to Labor Relations management, districts are not required to establish monetary thresholds. District management which established verbal thresholds indicated that they issued them verbally due to the possibility that others, such as union representatives, would interpret a written directive as limiting the authority of supervisors. In addition, management did not document reviews of payments exceeding thresholds because they viewed verbal notifications as sufficient and there was no process to document the reviews.

*“Management did not document reviews of payments exceeding thresholds because they viewed verbal notifications as sufficient and there was no process to document the reviews.”*

While the Postal Service does not have a formal nationwide monetary threshold requirement for reviewing grievances, having such a control would validate whether the settlement is fair and equitable, with consideration toward the financial obligation of the Postal Service. Additionally, a standard approach to recording and documenting higher-level reviews of payments that exceed established thresholds helps ensure consultation with senior management. By not documenting monetary thresholds and informal grievance payments that exceed those thresholds, there is increased risk of improper payments being administered without detection.

**Recommendation #2**

We recommend the **Vice President, Labor Relations**, formalize and communicate monetary thresholds for informal grievances and review payments that exceed the established thresholds.

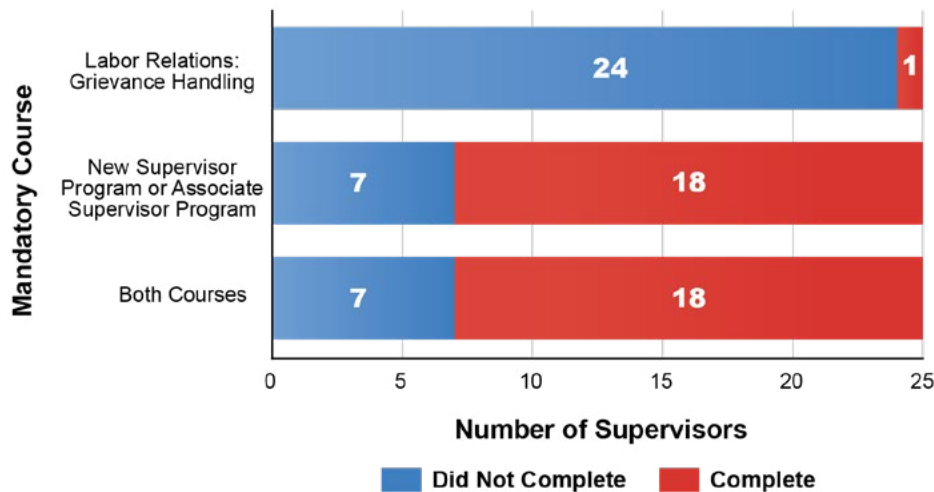
<sup>7</sup> Authorization for Grievance Settlements memorandum, Houston District Human Resources, March 28, 2012; Authority Limits and Procedures for Grievance Settlements memorandum, Bay Valley District, October 31, 2018.

<sup>8</sup> Smith, Phillip. [The Importance of Documentation](#) (last accessed September 12, 2019).

## Mandatory Grievance Training

Management did not ensure that all supervisors completed two one-time mandatory training courses related to grievance oversight. The courses include the mandatory Labor Relations: Grievance Handling course, which is administered by the Labor Relations group, and the mandatory New Supervisor Program (NSP)<sup>9</sup> course or its predecessor, the Associate Supervisor Program, which included a module on labor relations that covered grievances and union contracts. These courses are designed to help supervisors develop skills to become proficient at handling informal grievance activities. At the 10 facilities, we interviewed 25 supervisors who had been in their supervisory positions for at least two years. Based on our interview results and review of training records, we identified that not all supervisors took the mandatory training as indicated in Figure 3.

**Figure 3. Mandatory Training by 25 Supervisors at 10 Judgmentally Selected Facilities**



Source: OIG interviews and Postal Service training records.

In addition, nine of the 25 (36 percent) supervisors who took at least one of the mandatory training classes indicated that the course content did not contain enough practical knowledge to handle specific grievance issues.

According to Postal Service policy, district and plant managers and other installation heads are responsible for training and developing their employees. Managers are responsible and accountable for ensuring that employees under their supervision are trained in a timely manner to perform their assigned job tasks.<sup>10</sup>

Since management did not enforce the training policy, supervisors obtained grievance oversight knowledge via other methods, such as on-the-job training and assistance from managers with more experience with the grievance process. The nine supervisors we interviewed stated the other methods listed above were more effective learning tools in obtaining knowledge on grievances. Ensuring that supervisors receive mandatory grievance-related training is important to promote better understanding and application of the informal grievance process.

*“Supervisors obtained grievance oversight knowledge via other methods, such as on-the-job training and assistance from managers with more experience with the grievance process.”*

### Recommendation #3

We recommend the **Vice President, Labor Relations**, reiterate compliance with the Postal Service’s training policy that requires all supervisors to attend the mandatory Labor Relations Grievance Handling course and review existing training curriculum to ensure it adequately covers Postal Service grievance handling procedures.

<sup>9</sup> Issues related to the New Supervisor Program are covered in the OIG report *First-Line Supervisor Resources*, dated March 18, 2020.

<sup>10</sup> *Employee and Labor Relations Manual 47, Training and Development*, Sections 721.3 and 721.4, pages 698 and 699, September 2019.

### Finding #3: Repository of Contractual Documentation

Postal Service management did not maintain a centralized repository or database that contained all facility-level contractual documentation, such as local MOUs and related settlement agreements. Specifically, management could not provide a complete universe of contractual documentation from its 34,700 facilities. At the 10 facilities we reviewed, management could not always identify the number of contractual documents and/or their physical location. Therefore, we were only able to obtain a total of 16 local MOUs, six arbitration documents, and five agreements.

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*“Postal Service management did not maintain a centralized repository or database that contained all facility-level contractual documentation, such as local MOUs and related settlement agreements.”*

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In addition, management could not always identify the total grievance payments associated with each of the contractual obligations. This hindered management’s ability to effectively track and monitor financial obligations, negotiate and make changes to prospective agreements, and identify potential issues and/or training needs. However, we were able to isolate \$22.2 million in grievance payments made during FYs 2013 through 2018 for two localized contractual agreements with the National Association of Letter Carriers (NALC). We were only able to determine that amount due to the high visibility of these grievance payments and after district management confirmed the GATS issue codes associated with provisions in the agreements.

These conditions occurred because there was no requirement to centrally maintain and store legally binding contractual documents. In addition, there was no tracking method, such as unique grievance issue codes, to specifically identify payments associated with each contractual obligation.

Management maintained a system, the Labor Relations Research Information System (LRRIS), that contained contractual documentation such as MOUs and settlement agreements at the national level. However, this system did not contain facility-level documentation. Management indicated that the districts should have oversight over local MOUs and related settlement agreements.

Centralizing contractual documentation is necessary for management to stay abreast of legally binding obligations and would enable managers to obtain information easily and efficiently.<sup>11</sup> In addition, since monetary payments continue until both parties agree to terminate the local MOUs or other contracts, it is important for management to be aware of the financial impact of these obligations in preparing for future contract negotiations.

#### Recommendation #4

We recommend the **Vice President, Labor Relations**, establish a centralized repository or database of local memorandums of understanding and other contractual agreements.

#### Recommendation #5

We recommend the **Vice President, Labor Relations**, implement and communicate tracking methods for payments stemming from local memorandums of understanding or other contractual agreements to allow for transparency and accountability.

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<sup>11</sup> Stanat, Ruth. [Developing International Databases](#) (accessed October 8, 2019).

## Finding #4: Grievance and Arbitration Tracking System Issue Codes

Headquarters Labor Relations management did not update issue codes<sup>12</sup> in GATS or the *GATS Entries Handbook*. These codes are used to categorize a grievant's complaint or alleged violation of an agreement and to track and monitor

grievance activity. Between FYs 2013 and 2018, there were 1,721 codes used in GATS and 2,104 codes in the *GATS Handbook*. However, as shown in Table 5, there were numerous discrepancies regarding maintenance of these codes and their titles.

**Table 5. GATS Issue Code Discrepancies**

Issue Identified	Description	Example
GATS handbook was not updated	75 issue codes or titles modified or created by management have not been updated in the January 2000 <i>Issue Codes for GATS Entries Handbook</i> .	Issue Codes 03.2200 – DBCS Staffing and 10.2019 – CCA Leave Regulations are listed in GATS but not in the handbook.
Issue code numbers in GATS did not match handbook code titles	32 issue codes in GATS do not match their titles in the handbook.	Issue Code 45.0911 is called One-Time Cash Payment in GATS; however, that same code is called New Salary Schedule in the handbook.
Different issue codes, same code titles	369 different issue codes have duplicative titles.	Issue Codes 45.3008, 45.3017, and 45.5290 are all called Acts of God. Issue Codes 65.2050 and 65.2800 are both called Discourtesy and Disrespect to a Supervisor. Issue Codes 45.0850 and 46.0850 are both called Overtime Desired List Sign-Up. Based on the numerical prefix, the codes are for rural carriers and mail handlers, respectively; however, there is no distinction in the code titles designating the difference.
Same issue code, different code titles	32 issue codes contain more than one title in GATS.	Issue Code 45.0850 is called both Overtime Desired List Sign-Up and Relief Day Worked. Issue Code 45.0937 is called both Route and Unit Reviews and Applying Formula to Change Relief Days. Issue Code 50.0800 is called both NA and Art. 8 Overtime.
Similar and vague code titles	There are similarly titled issue codes for one overarching subject.	In GATS, there are 62 different issue codes related to overtime, including several vague codes titled Overtime Work, Overtime Assignments, and Mandatory Overtime. <sup>13</sup>

<sup>12</sup> Each issue code is categorized by a number and title. For example, the Issue Code number 01.1000, where the first two-digit prefix represents the article in the national agreement that the grievance refers to and the four-digit suffix number represents the specific issue violated under the article. In this example, Issue Code title "01" is Union Recognition, which corresponds to Article 1, Union Recognition, in the various agreements the Postal Service maintains with the unions.

<sup>13</sup> *ELM 47*, Section 519.221, page 338.

Issue Identified	Description	Example
No definitions or descriptions for codes	There are no definitions or descriptions for issue codes in GATS or the handbook, which can cause confusion when attempting to select the appropriate issue code.	One district used Issue Code 08.5460, Operational Window, to pay grievances for carriers delivering mail after dark due to an agreement between the district and NALC. However, supervisors also entered payouts for the same agreement using Issue Codes 08.4000, Overtime Work, 08.5300, Mandatory Overtime, and 50.0800, Art. 8 Overtime.
Codes did not relate to grievance	Issue codes used do not relate to the reason for the grievance.	One district used Issue Code 30.2200, Guidelines for Curtailment or Termination of Postal Operations, to process about \$3.2 million in informal grievance payments made to carriers delivering mail after sunset. However, this issue code title is associated with times of civil disorders in communities where the postmaster or installation head determines whether conditions are such that postal operations are curtailed or terminated.

Source: GATS, ASR, and GATS Entries Handbook.

According to the *GATS User Guide*, users are required to search for the correct issue description and code by entering a keyword in the issue description text box when entering grievances into GATS and selecting the code that best describes the informal payment issue.<sup>14</sup> Definitions enable users to have a common understanding of a subject. Proper definition of something is essential to its success, how it will work, and the value it will provide.<sup>15</sup>

The Labor Relations Systems group at headquarters last reviewed issue codes in GATS between calendar years 2006 and 2007. Additionally, management indicated that some issue codes had been created in the last five years, but no further work was implemented to update older issue codes. This was because users were still using many of the old codes and the Postal Service would lose the ability to trend issue code activity in prior years if it updated older issue codes.

By not maintaining accurate and descriptive issue codes, GATS users may select incorrect codes, which could negatively affect management’s ability to track and monitor grievance activity. This could hinder management’s ability to identify grievance trends and detect problem areas.

### Recommendation #6

We recommend the **Vice President, Labor Relations**, update and reconcile issue codes in the Grievance and Arbitration Tracking System (GATS) and the *GATS Entries Handbook* to include clear definitions and instructions for use; and establish guidance to address frequency of the updates.

### Other Matter: GATS Access

Our review of informal grievance oversight included an analysis on GATS access for supervisors. GATS user roles are assigned based on the duties and responsibilities of the user. As of October 16, 2019, 3,027 (33 percent) of the 9,060 supervisors listed in GATS nationwide did not have official system access for various reasons, such as supervisors being in a revoked, denied, or pending status. Of the 25 supervisors we interviewed at the 10 facilities we reviewed, seven (28 percent) did not have GATS access:

<sup>14</sup> *GATS Informal Payments Education User Guide*, pages 16-17.

<sup>15</sup> Whitfield, Glenn. *The Importance of Proper Definition* (accessed September 12, 2019).



- Three had their access revoked due to non-use.
- Three had their access revoked due to disciplinary actions.
- One who had been a supervisor for about 10 months had not received the GATS training required to obtain access.

At five facilities, we found that management improperly allowed supervisors with GATS access to process other supervisors' grievance payments, even though they were not officially responsible for determining the grievance decision. For example, during FYs 2017 and 2018, one supervisor entered grievances resulting in 586 payments totaling \$66,848. Of these payments, 484 (83 percent) totaling \$56,691 (85 percent) were grievances that other supervisors had originally handled. Further, some supervisors were designated to enter grievance activity into GATS because they were more knowledgeable in grievance oversight.

According to Postal Service policy,<sup>16</sup> GATS user roles are assigned based on the duties and responsibilities of the user. Managers must review user roles periodically to ensure that roles are appropriately assigned by employee level to safeguard information. The informal grievance process requires each management representative responsible for the decision to enter pay requests and related justification into GATS themselves. Accordingly, users are required to have a level of understanding and some training before access approval is granted.

Identifying and granting GATS access to appropriate supervisors and instructing supervisors to perform their own grievance oversight duties could decrease the risk of fictitious or fraudulent grievance transactions and improper payments. We recognize that supervisors may not have GATS access for the valid reasons above and, as a result, some supervisors process other supervisors' grievance payments. Thus, we are not making an official recommendation related to this issue at this time.

## Management Comments

Management disagreed with all four findings and with recommendations 1, 2, and 4; however, management agreed with recommendation 3, and partially agreed with recommendations 5 and 6.

## Findings

Management disagreed with finding 1 that increased informal grievance costs resulted from ineffective grievance process oversight. Management asserted that increased informal grievances and costs indicated a properly functioning grievance arbitration process where issues were resolved at the lowest level of the process.

Management disagreed with finding 2 that there is no guidance establishing and communicating monetary thresholds and requirements for higher-level manager review of grievances that exceed set thresholds. They stated that guidelines relating to monetary thresholds, periodic reviews, and use of GATS alerts to review justification for payments are set locally at the discretion of each district and outlined in the GATS Internal Control memo issued December 2013. Regarding higher-level management review, management stated that national agreements mandate that discussions and resolutions of the initial step of the grievance procedure are at the level of the immediate supervisor and local union steward. Management stated that it is inaccurate to conclude that formalizing higher-level reviews will automatically culminate in better oversight and reduced payments.

Management disagreed with finding 3 that there is no centralized repository or database containing all facility-level contractual documentation. They stated the Postal Service maintains the Labor Relations Research Information System (LRRIS), which is a national centralized repository of contractual agreements that includes national MOUs, settlement agreements, arbitration decisions, Step 4 decisions, and key issues. Management also stated that 51 of 67 districts maintain a centralized repository for local MOUs. The remaining districts allow each individual office to maintain its own negotiated local MOUs and are working to establish centralized repositories locally. Additionally, management stated that

<sup>16</sup> Grievance and Arbitration Tracking System Internal Controls memorandum, page 1.

they maintain GATS, which provides accountability and documentation to support grievance-related settlement payments.

Management disagreed with finding 4 that they did not update issue codes in GATS or the *GATS Entries Handbook*, and that the issue codes were outdated, inaccurate, or non-descriptive in GATS. Management stated that while there is an abundance of issue codes in GATS, the codes contain descriptions appropriate for users to identify specific grievance issues tied to the national agreements. They also stated the OIG's reference to the *GATS Entries Handbook* is inappropriate since that handbook is obsolete and not sanctioned nationally.

## Recommendations

Management disagreed with recommendation 1. Instead, they will reiterate to the Area Managers, Labor Relations, the objective to manage grievances at all levels and to develop appropriate action plans to address informal grievances and costs as necessary. The target implementation date is February 28, 2021.

Management disagreed with recommendation 2. Instead, they will communicate appropriate policy to the Area Managers, Labor Relations, regarding establishing appropriate monetary thresholds consistent with our contractual and statutory obligations. The target implementation date is February 28, 2021.

Management agreed with recommendation 3 and will reiterate the training requirement for the Labor Relations Grievance Handling course and review existing training curriculum as necessary. The target implementation date is March 31, 2021.

Management disagreed with recommendation 4. Instead, they will communicate to the Area Managers, Labor Relations, to have districts establish centralized repositories for local MOUs. The target implementation date is April 30, 2021.

Management partially agreed with recommendation 5. They proposed communicating methods available to employees to track payments stemming from local MOUs or other contractual agreements to allow for transparency and accountability. The target implementation date is April 30, 2021.

Management partially agreed with recommendation 6 and proposed reviewing the issue codes in GATS to remove duplicate issue codes and establish guidance to address frequency of the updates. The target implementation date is May 20, 2021.

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

## Evaluation of Management's Comments

The OIG considers management's comments on recommendations 1, 3, 4, and 5 responsive and planned corrective actions should satisfy the intent of the recommendations. Management's comments on recommendations 2 and 6 are responsive; however, their planned actions only partially satisfy the intent of the recommendations.

## Findings

Regarding finding 1, the consistent upward trend in informal grievance payments and costs indicate that management has not been proactive in overseeing the informal grievance process. We affirm our position that continued annual increases in grievance costs indicates a lack of program oversight and these increases in costs should be of concern to Postal Service management.

Regarding finding 2, we did not find consistency among districts regarding communication of monetary threshold requirements and documenting reviews of payments that exceed the threshold amount. Additionally, our report states that some districts have established thresholds even though they are not required to, and that management is communicating their reviews verbally. Further, thresholds are not outlined in the GATS Internal Control memo issued December 2013, as mentioned in management's response.

Regarding finding 3, we inquired about the existence of a centralized repository for local MOUs from management in each of the eight districts visited and received negative responses from all eight (100 percent). Additionally, we repeatedly attempted to obtain four specific local MOUs from multiple unit and district managers over several months. District management was unable to locate or produce the MOUs, which may not have been an issue if there was a repository or database containing facility-level contractual documentation.

Regarding finding 4, during our site visits, we noted that some supervisors were using the GATS Entries Handbook as a reference. Also, as of June 23, 2020, the handbook was still accessible on the intranet site under the Labor section of the Human Resources website. This handbook should either be updated or removed from the website.

## **Recommendations**

Regarding recommendation 2, management's proposal to communicate appropriate policy to the Area Managers, Labor Relations, for establishing appropriate monetary thresholds consistent with their contractual and statutory obligations partially satisfies the intent of the recommendation. To fully address this recommendation, management should also communicate policy to all districts requiring written documentation that management is reviewing informal grievance payments for validity, accuracy, and proper allocation.

Regarding recommendation 6, management's proposal to review the issue codes in GATS to remove duplicate issue codes and establish guidance to address frequency of the updates partially satisfies the intent of our recommendation. To fully address this recommendation, management should also either update the GATS Entries Handbook or remove it from the intranet site.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Recommendations 1 through 6 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed. We view the disagreements on recommendations 2 and 6 as unresolved; therefore, the recommendations will remain open as we coordinate resolution with management.

# Appendices

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# Appendix A: Additional Information

## Scope and Methodology

We analyzed nationwide grievance data from FYs 2013 through 2018. We judgmentally selected 10 facilities to review based on grievance payments made between FYs 2017 and 2018. Specifically, we selected eight facilities based on their high grievance costs and high number of grievances while two facilities had lower grievance costs compared to similar-sized facilities. We reviewed processes at these facilities to determine if management had best practices in place to reduce grievance activity.

To accomplish our objective, we:

- Interviewed headquarters management, Labor Relations managers, district management and specialists, and facility managers and supervisors regarding their responsibilities over the grievance oversight process.
- Reviewed GATS grievance issue codes to identify high-volume codes and discrepancies.
- Reviewed the administrative process over local MOUs as it relates to a centralized repository, tracking, monitoring, and oversight.

- Reviewed management training records to determine if management personnel attended mandatory grievance training.

We conducted this performance audit from March 2019 through July 2020 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 7, 2020 and included their comments where appropriate.

We assessed the reliability of grievance data by tracing a sample of GATS-related payments to supporting documentation and discussed the data with management officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in Millions)
<i>Accuracy of Grievances in the Grievance and Arbitration Tracking System – Houston District</i>	Assess the accuracy of grievances recorded in the GATS for the Houston District.	HR-AR-18-009	9/11/2018	\$5.7
<i>Accuracy of Grievance Settlement Payments</i>	Assess the accuracy of payments related to the APWU Global Remedy and Kelly Services settlements.	HR-AR-17-003	1/27/2017	\$3.5

# Appendix B: Management's Comments

DOUG A. TULINO  
VICE PRESIDENT, LABOR RELATIONS



June 22, 2020

LAZERICK POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – Informal Grievance Oversight (Project  
Number 19SMG007HR000)

This is in response to the above reference audit report dated May 21, 2020. The OIG's objective was to the effectiveness of the Postal Service's informal grievance oversight. The OIG reviewed informal grievance processes for 10 facilities (processing and retail functions) in eight Postal Service districts within four Postal Service areas.

**We disagree with Finding #1:**

The OIG concluded that the Postal Service's oversight of informal grievances is not effective due to the increase of informal grievance costs from fiscal years (FY) 2013 through 2018.

Any effective grievance/arbitration procedure encourages and requires the parties to resolve disputes at the lowest possible level. To conclude that an increase of informal grievance cost is the result of ineffective oversight of the grievance process is fundamentally wrong and inaccurate. An increase in informal grievances and costs does not provide evidence of lack of control or a breakdown in process. Rather, it's indicative of a properly functioning grievance arbitration process where the parties are resolving issues at the lowest level of the process as required.

The OIG used informal grievance cost and payment data from the Houston District, stating that this district had the highest amount of both informal grievance costs and payments of the Postal Service's 67 districts. It is improper to utilize the Houston District as an example to justify your finding of ineffective grievance oversight. The Postal Service is well aware of a long-standing problematic agreement in Houston that has resulted in inflated grievance cost. We have made several attempts to both negotiate and

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challenge this agreement through our mandated contractual vehicles. Your report makes no mention of all the efforts Postal Service management has made to modify this problematic agreement, yet you use the cost associated with the agreement as an example to justify your conclusion of ineffective oversight. Not including relevant and valid content for the purpose of validating your finding is neither balanced or correct.

In addition, the OIG cited an employee in the Greater Michigan District who received more than \$40,000 among 93 payments, alluding to ineffective oversight. That an employee received compensation at the initial step of the grievance process as a result of a contractual violation is neither improper nor evidence to conclude improper oversight. Relying on outliers or anomalies to draw broad conclusions and findings for the entire organization is not prudent or representative of the Postal Service's grievance arbitration process.

**We disagree with Finding #2:**

The OIG concluded that there is no Postal Service guidance for establishing and communicating monetary thresholds that required higher-level manager review for documenting reviews of grievances that exceeded set thresholds.

Guidelines regarding monetary thresholds and periodic reviews are set locally at the discretion of each district. Areas/Districts are encouraged to establish monetary threshold payments and utilize the alerts feature in GATS to review the justification for payments. All Managers, Labor Relations are expected per the GATS Internal Control memo issued December 2013, to conduct periodic reviews in their areas of responsibility to ensure that grievance settlements are valid, accurate, and properly allocated. In addition, managers and supervisors must ensure that informal adjustment letters include the issues and timeframe of the dispute, the names and amounts of each individual to be paid and the rationale for the adjustment.

Regarding higher level management review, our national agreements mandate that discussions and resolutions of the initial step of the grievance procedure are at the level of the immediate supervisor and local union steward. While higher-level reviews can and are being utilized, any review from outside the installation where the grievance occurred has the potential to delay the process and involve those who have no direct knowledge of the fact circumstances given rise to the dispute. Therefore, to conclude that formalizing higher level reviews will automatically culminate in better oversight and reduced payments is not accurate.

In regard to mandatory grievance training, the OIG reported that 9 of 25 (36%) supervisors indicated that methods other than course training were more effective learning tools in obtaining knowledge on grievances. To draw any conclusion from this sample size is meaningless as we have over 19,000 supervisors nationwide. Existing grievance handling training is comprehensive and includes role-playing to assist the supervisor in dealing with specific grievance issues. It is not possible to cover every grievance issue that a supervisor may encounter. Therefore, expertise is appropriately gained through on-the-job training and experience.

**We disagree with Finding #3:**

The OIG indicated that Postal Service management did not maintain a centralized repository or database that contained all facility-level contractual documentation, such as local MOUs and related settlement agreements. Additionally, this hindered management's ability to effectively track and monitor financial obligations, negotiate and make changes to prospective agreements, and identify potential issues and/or training needs.

Management maintains the Labor Relations Research Information System (LRRIS), which is a national centralized repository of contractual agreements to include national MOUs and settlement agreements, Step 4 decisions, Step 4 key issues, as well as national and regional arbitration decisions. The local Districts have oversight of local MOUs and related settlement agreements. 51 of 67 Districts maintain a centralized repository for LMOUs within their Districts. The local repositories allow local MOUs and contracts to be easily accessible to management so they are aware of contractual obligations and to assess potential financial impacts for grievances. The remaining Districts allow each individual office to maintain their own negotiated LMOUs. Those Districts are working to establish centralized repositories locally and compliance will be monitored by the Area Managers of Labor Relations.

Management also maintains the Grievance and Arbitration Tracking System (GATS) which provides the tools necessary for managers at any level of the organization to review and monitor grievance activity to identify areas for improvement. This application maintains accountability and documentation to support grievance-related settlement payments for



both formal and informal adjustment processes. Users have the ability to research grievances and appeals, grievance issues most frequently in dispute, arbitration decisions, and settlement costs. The information available in this application allows management to anticipate on-going liability costs. This allows management to determine appropriate actions, such as training, in order to adhere to contract requirements.

**We disagree with Finding #4:**

The OIG concluded that GATS issue codes are outdated, inaccurate, or non-descriptive in GATS. Additionally, the OIG cited a 'GATS Entries Handbook' for additional conclusions in reference to issue codes.

While there are an abundance of issues codes in GATS, the issue codes contain descriptions appropriate for users to identify specific grievance issues tied to our national agreements. Your reference to the GATS Entries Handbook is inappropriate as that handbook is obsolete and not sanctioned nationally.

**Recommendation #1: We recommend the Vice President, Labor Relations, develop an action plan, with milestones, to manage and reduce informal grievance costs and payments.**

Management Response/Action Plan:

We disagree with this recommendation.

There are numerous existing processes and trainings at the HQ, Area and District levels that address general grievance handling, specialized grievance handling, proper contract administration and grievance cost. This includes mandatory trainings which are captured in HERO and are the responsibility of the Area and Districts to monitor compliance.

Instead, the Vice President, Labor Relations, will issue communication to the Area Managers, Labor Relations reiterating our objective to manage grievances at all levels and to develop appropriate action plans to address informal grievances and costs as necessary.

Target Implementation Date: February 28, 2021

Responsible Officials:

Area Managers, Labor Relations

**Recommendation #2: We recommend the Vice President, Labor Relations, formalize and communicate monetary thresholds for informal grievances and review payments that exceed the established thresholds.**

Management Response/Action Plan:

We disagree with this recommendation.

Our frontline supervisors/managers have full authority to resolve grievances at the initial step of the grievance process. Establishing formal monetary threshold requirements for informal grievances at the National level is both inappropriate and is a violation of the National Labor Relations Act (NLRA) and will certainly culminate in an unfair labor practice.

The Areas and Districts may utilize the Grievance Arbitration Tracking System (GATS) and GATS-Application System Reporting (GATS-ASR) to review grievance payments for follow-up actions as necessary.

Instead, the Vice President, Labor Relations, will communicate appropriate policy to the Area Managers, Labor Relations, regarding establishing appropriate monetary thresholds consistent with our contractual and statutory obligations.

Target Implementation Date: February 28, 2021

Responsible Officials:

Area Managers, Labor Relations

**Recommendation #3: We recommend the Vice President, Labor Relations, reiterate compliance with the Postal Service's training policy that requires all supervisors to attend the mandatory Labor Relations Grievance Handling course and review existing training curriculum to ensure it adequately covers Postal Service grievance handling procedures.**

Management Response/Action Plan:

We agree with this recommendation.

- 6 -

Supervisors are required to attend the USPS Supervisor Programs Training, which includes the grievance handling training. The local District is appropriately responsible to monitor compliance.

The Vice President, Labor Relations will issue communication reiterating the training requirement for the Labor Relations Grievance Handling course and review existing training curriculum as necessary.

Target Implementation Date: March 31, 2021

Responsible Officials:  
Area Managers, Labor Relations

**Recommendation #4: We recommend the Vice President, Labor Relations, establish a centralized repository or database of local memorandums of understanding and other contractual agreements.**

Management Response/Action Plan:

We disagree with this recommendation.

Management maintains a national centralized repository of contractual agreements to include national MOUs and settlement agreements, Step 4 decisions, Step 4 key issues, as well as national and regional arbitration decisions. The local Districts have oversight of local MOUs and related settlement agreements. 51 of 67 Districts maintain a centralized repository for LMOUs within their Districts. The remaining Districts allow each individual office to maintain their own negotiated LMOUs. Those Districts are working to establish centralized repositories locally and compliance will be monitored by the Area Managers of Labor Relations.

Instead, the Vice President, Labor Relations, will issue communication to the Area Managers, Labor Relations, to have Districts establish centralized repositories for local memorandums of understanding.

Target Implementation Date: April 30, 2021

Responsible Officials:  
Area Managers, Labor Relations

**Recommendation #5: We recommend the Vice President, Labor Relations, implement and communicate tracking methods for payments stemming from local memorandums of understanding or other contractual agreements to allow for transparency and accountability.**

**Management Response/Action Plan:**

We partially agree with this recommendation.

A tracking method is currently used to review payments stemming from local memorandums of understanding to allow for transparency and accountability. The local parties track and monitor their grievances in GATS and GATS ASR (Application System Reporting). GATS users are trained in the use of these applications which contain specific reports to review payment information.

In addition, our Contract Compliance unit also developed and maintains numerous grievance payout and appeal reports to identify the issues generating the most appeals and payouts. Labor Relations and Operations personnel may access these reports to track and monitor grievance and payment activities.

The Vice President, Labor Relations, will communicate tracking methods available to our employees to track payments stemming from local memorandums of understanding or other contractual agreements to allow for transparency and accountability.

**Target Implementation Date:** April 30, 2021

**Responsible Officials:**

Area Managers, Labor Relations

**Recommendation #6: We recommend the Vice President, Labor Relations, update and reconcile issue codes in the Grievance and Arbitration Tracking System (GATS) and the GATS Entries Handbook to include clear definitions and instructions for use; and establish guidance to address frequency of the updates.**

**Management Response/Action Plan:**

We partially agree with this recommendation.

- 8 -

We disagree with updating the referenced GAT's entries handbook. The handbook is an obsolete training handbook and not sanctioned nationally.

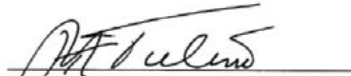
The GATS issue codes contain descriptions appropriate for users to identify assignment to grievances.

Instead, the Vice President, Labor Relations, will review the issue codes in the Grievance and Arbitration Tracking System (GATS) to remove duplicate (same meaning) issue codes; and establish guidance to address frequency of the updates.

Target Implementation Date: May 20, 2021

Responsible Official:

[REDACTED]  
Manager, Labor Relations Systems



Doug A. Tulino

Vice President, Labor Relations

cc:

[REDACTED]  
Manager, Corporate Audit Response Management

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