

Employee Availability

AUDIT REPORT

Report Number 23-175-R24 | August 29, 2024



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Highlights

Background

Employees are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences. Circumstances can arise that cause employees to miss work unexpectedly. However, when unscheduled days off are excessive, it can negatively impact the work environment and decrease productivity. While Postal Service employees are entitled to use their leave, management is responsible for administering the leave program by considering the needs of the Postal Service as well as the welfare of the individual employee. Employee availability refers to the percentage of normally scheduled hours actually worked by employees. Overall, the Postal Service's employee availability trended downward from 84.4 percent in fiscal year (FY) 2020 to 82.8 percent in FY 2023.

What We Did

Our objective was to evaluate how the Postal Service manages employee availability. For this audit, we visited and interviewed personnel at 17 judgmentally selected Postal Service facilities to gain an understanding of their leave approval and denial process, relevant training, handling of leave abuse, monitoring of employee availability initiatives, and employees who are on the payroll but do not have any workhours. Also, we validated the supporting documentation for a statistical sample of 400 regular sick leave occurrences of more than three days between FY 2020 and FY 2023, from 40 randomly selected Postal Service facilities nationwide.

What We Found

Opportunities exist for management to improve employee availability. Specifically, management did not always: (1) take progressive corrective action on employees with attendance issues, (2) address employees with zero workhours in several pay periods, or (3) obtain supporting medical documentation for sick leave greater than three days. The Postal Service incurred about \$120 million annually in unsupported questioned costs for not obtaining required medical documentation to validate employees' use of sick leave.

Recommendations and Management's Comments

We made three recommendations to address the issues identified in the report. Postal Service management agreed with all recommendations, and the Office of Inspector General (OIG) considers management's comments responsive, as corrective actions should resolve the issues identified. Management's comments and our evaluation are at the end of each finding and recommendation. See [Appendix C](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

August 29, 2024

MEMORANDUM FOR:

SIMON M. STOREY
VICE PRESIDENT, HUMAN RESOURCES

JENNIFER D. UTTERBACK
VICE PRESIDENT, ORGANIZATION DEVELOPMENT

THOMAS J. BLUM
VICE PRESIDENT, LABOR RELATIONS

ANGELA D. LAWSON
VICE PRESIDENT, TECHNOLOGY APPLICATIONS

RONNIE J. JARRIEL
CHIEF LOGISTICS AND INFRASTRUCTURE OFFICER AND
EXECUTIVE VICE PRESIDENT

JOSHUA D. COLIN
CHIEF RETAIL AND DELIVERY OFFICER AND EXECUTIVE VICE-
PRESIDENT

ISAAC S. CRONKHITE
CHIEF PROCESSING AND DISTRIBUTION OFFICER AND
EXECUTIVE VICE-PRESIDENT

A handwritten signature in black ink, reading "Alan S. MacMullin".

FROM:

Alan S. MacMullin
Deputy Assistant Inspector General for Finance, Pricing & Human Capital

SUBJECT:

Audit Report – Employee Availability
(Report Number 23-175-R24)

This report presents the results of our audit of U.S. Postal Service's Management of Employee Availability.

All recommendations require U.S. Postal Service Office of Inspector General (OIG) concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Lazerick Poland, Director, Human Capital Management, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management
Postmaster General
Secretary of the Board of Governors

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Service's management of employee availability (Project Number 23-175). Our objective was to evaluate how the Postal Service manages employee availability. See [Appendix A](#) for additional information about this audit.

Background

Employees are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences.¹ Circumstances can arise that cause employees to miss work unexpectedly. However, when unscheduled days off are excessive according to agency policy, it can negatively impact the work environment and decrease productivity. While Postal Service employees are entitled to use their leave, management is responsible for administering the leave program. When administering leave, management considers the needs of the Postal Service as well as the welfare of the individual employee.

“Employee availability refers to the percentage of normally scheduled hours actually worked by employees.”

Employee availability refers to the percentage of normally scheduled hours actually worked by employees. Managing employee availability ensures Postal Service operations are staffed sufficiently to meet operational goals. The Postal Service's average employee availability was 90.6 percent between fiscal year (FY) 2021 and FY 2023 based on a few leave types.² Employee availability is calculated by comparing career employees' straight-time³

workhours to workhours that would have been accumulated if these employees had not used sick leave, leave without pay (LWOP), or absent without leave (AWOL). See Table 1.

Table 1. Leave Types Affecting Measurement of Employee Availability

Leave Type	Description
Sick Leave	Insures employees against loss of pay if they are incapacitated and cannot perform their duties because of illness, injury, pregnancy and confinement, and medical examination or treatment.
Leave Without Pay (LWOP)	An authorized absence from duty in a non-pay status. LWOP may be granted upon the employee's request and covers only those hours the employee would normally work or be paid.
Absent Without Leave (AWOL)	A non-pay status due to a determination that no kind of leave can be granted because (1) the employee did not obtain advance authorization or (2) the employee's request for leave was denied.

Source: Employee and Labor Relations Manual (ELM), Section 510 – Leave.

The Postal Service uses these leave types in its National Performance Assessment⁴ (NPA) calculation because they can be controlled by management. Conversely, another method to calculate employee availability compares straight-time workhours to all leave types used by employees, including but not limited to annual and military leave, as well as leave tied to the novel coronavirus (COVID-19) pandemic.⁵ The president of the United States issued the national emergency declaration concerning the COVID-19 outbreak on March 13, 2020, which was in quarter two of FY 2020. The Postal Service established new leave codes in the Time and Attendance Collection System (TACS) to track the leave taken by employees related to COVID-19, which was not deducted from employees' regular sick leave balances. Including

¹ Employee Labor Manual (ELM) Section 511.43, March 2024.

² The Postal Service calculates this percentage for its National Performance Assessment employee availability indicator. Since this indicator was not part of the NPA during FY 2020, the calculated average only represents the timeframe between FY 2021 and FY 2023.

³ According to Postal Service policy, straight-time workhours are all hours worked by an employee at their basic rate of pay during a scheduled workweek.

⁴ The NPA, which supports the Pay for Performance program and Performance Evaluation System, is a web-based application that collects performance-based metrics from source systems across the organization.

⁵ This calculation includes COVID leave, taken as a separate category of leave during the pandemic.

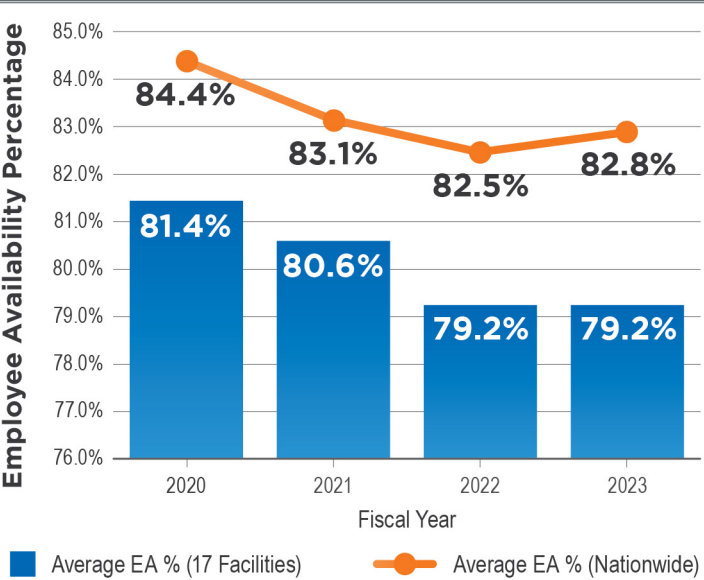
all types of leave in the calculation of employee availability provides a more comprehensive depiction of employees who are actually available for work. Using this approach, the nationwide average employee availability was 83.2 percent between FY 2020 and FY 2023.⁶

The average employee availability using the alternate method was generally lower in the southern and eastern states. For instance, Louisiana reported an average employee availability rate of 78.7 percent, which was the lowest during this timeframe. However, Utah reported an average rate of 85.4 percent, the highest during the same period. See Figure 1.

Between FY 2020 and FY 2023, the Postal Service’s nationwide employee availability using the alternate method generally trended downward. Specifically, it decreased from 84.4 percent in FY 2020 down to 82.5 percent in FY 2022, then slightly increased to 82.8 percent in FY 2023. Additionally, at the 17 judgmentally selected facilities we visited, the average employee availability was consistently

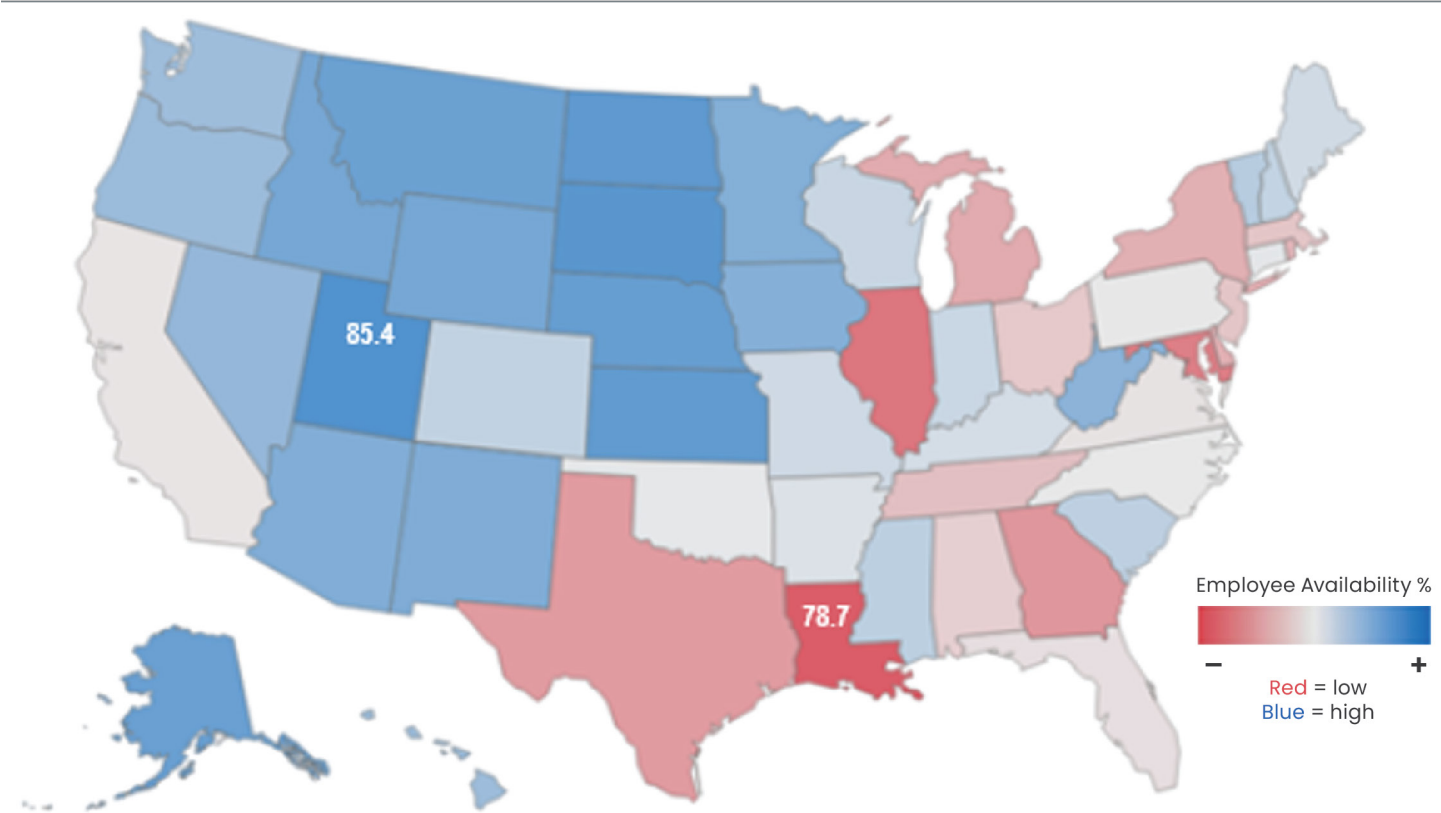
below the nationwide average, ranging between 2.5 and 3.6 percentage points below the nationwide average. See Figure 2.

Figure 2. Nationwide Employee Availability Compared to Facilities Visited



Source: Time and Attendance Collection System.

Figure 1. Average Employee Availability by State Between FYs 2020 and 2023



Source: Time and Attendance Collection System.

6 The alternate method average was 82.8 percent for FY 2021 to FY 2023, the same period as the employee availability NPA indicator.

Employee availability is also impacted by employees who do not have any reportable workhours. Every pay period, the Postal Service tracks career employees in specific functions⁷ who have not worked in the past 13 or more pay periods (at least six months) and pre-career⁸ employees who have not worked in the past two or more pay periods (at least four weeks). As of December 6, 2023, a total of 12,828 career employees did not report workhours in the preceding 13 pay periods, which represents about 2 percent of the total career employee workforce.

Findings Summary

Opportunities exist for management to improve employee availability and increase productivity by taking progressive corrective action, addressing employees with zero workhours, and obtaining supporting medical documentation for sick leave greater than three consecutive days. Overall, employee availability, using the alternate method, slightly trended downward from 84.4 percent in FY 2020 to 82.8 percent in FY 2023. We found progressive corrective action has not been consistent and sick leave, LWOP, and AWOL hours have generally trended upward; about 2 percent of the total career employee workforce had at least six months of zero workhours; and about 90 percent of sampled sick leave occurrences did not have required supporting medical documentation.

⁷ The specific functions include Mail Processing, City Delivery, Rural Delivery, Retail & Customer Service, Maintenance, Fleet Management, and Postal Vehicle Services.

⁸ The Postal Service pre-career are entry level positions, such as letter carriers, rural route carriers, mail handlers, mail processing clerks, and retail clerks.

Finding #1: Progressive Corrective Action

Postal Service management did not always take progressive corrective action on employees who did not regularly attend work. Progressive corrective action provides employees an opportunity to correct their workplace issues or a notice of the consequences for not improving. The corrective action starts with a discussion and can end with a discharge, as shown in Table 2.

Table 2. Progressive Corrective Action Steps

	Step	Description
1	Discussion	Inform employee of specific problem and expectations
2	Letter of Warning	Previously notified of expectations; however, failed to meet expectations
3	Suspension of less than 14 days	Progressively longer suspensions may be in order to correct a situation
4	Suspension of 14 days or more	
5	Discharge	Last resort when prior attempts to correct an employee deficiency have failed

Source: Handbook EL-921, Supervisor's Guide to Handling Grievances.

We identified inconsistent progressive corrective action at locations with low employee availability. For example, during FY 2023, the New Jersey Network

“On average, the Postal Service incurred \$1.5 billion in costs for 49 million hours of sick leave during FY 2020 through FY 2023.”

Distribution Center (NDC) had low employee availability of 77.8 percent compared to the nationwide employee availability of 82.8 percent. Specifically, at the New Jersey NDC:⁹

- One employee had 220 unscheduled leave occurrences, which affected 233 workdays. For context, there were a total of 249 workdays in FY 2023.¹⁰ These occurrences involved the use of annual leave, AWOL, LWOP, sick leave, and being late. The employee was late for work ranging from 0.66 to 4.61 hours. However, despite these numerous occurrences during this period, management issued only one letter of warning in July 2023 and one seven-day suspension in August 2023.
- Another employee had 101 unscheduled leave occurrences, which affected 103 workdays. These occurrences included annual leave, AWOL, LWOP, sick leave, and being late. The employee was late for work ranging from 0.09 to 3 hours. However, management did not take any action against the employee during this timeframe.
- Lastly, another employee had 25 unscheduled leave occurrences, which affected 28 workdays. These occurrences involved annual leave, LWOP, sick leave, and being late. However, management did not take any action against the employee during this timeframe.

Additionally, as shown in [Figure 2](#), the Postal Service's nationwide employee availability trended downward, whereas sick leave, LWOP, and AWOL activity generally trended upward during the same period. Specifically:

Sick Leave Activity

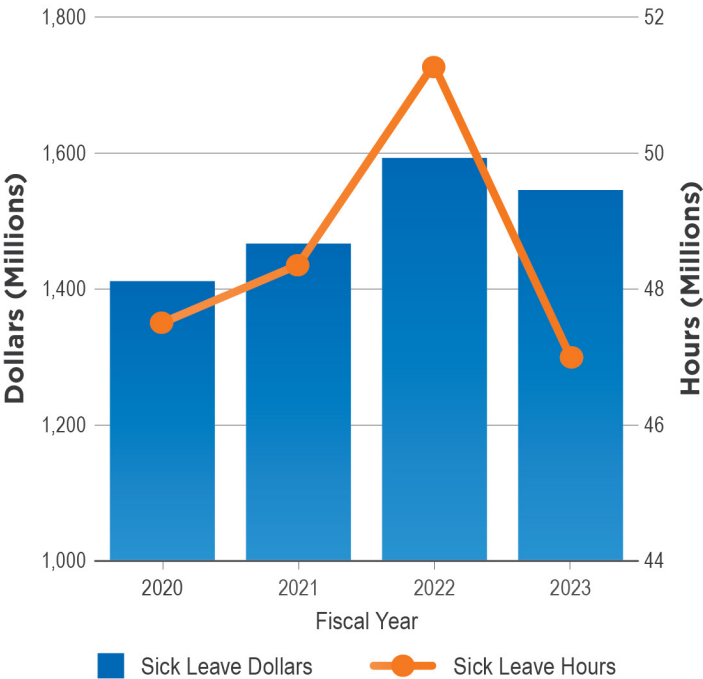
On average, the Postal Service incurred \$1.5 billion in costs for 49 million hours of sick leave during FY 2020 through FY 2023. Beginning in FY 2020, sick leave costs and hours consistently trended upward and reached a peak in FY 2022, totaling \$1.6 billion and 51 million hours, before declining in FY 2023 (see [Figure 3](#)).

⁹ The New Jersey NDC data was obtained from the Postal Service's Enterprise Resource Management System (eRMS), which is the Postal Service's attendance control application.

¹⁰ Non-workdays included scheduled days off and federal holidays.

Figure 3. Nationwide Sick Leave Costs and Hours¹¹

Fiscal Year	Sick Leave Costs	Sick Leave Hours
2020	\$1,413,754,632	47,626,547
2021	\$1,464,696,247	48,451,540
2022	\$1,591,790,923	51,347,715
2023	\$1,548,407,600	47,090,489
Average	\$1,504,662,351	48,629,073



Source: National Payroll Hour Summary Report.

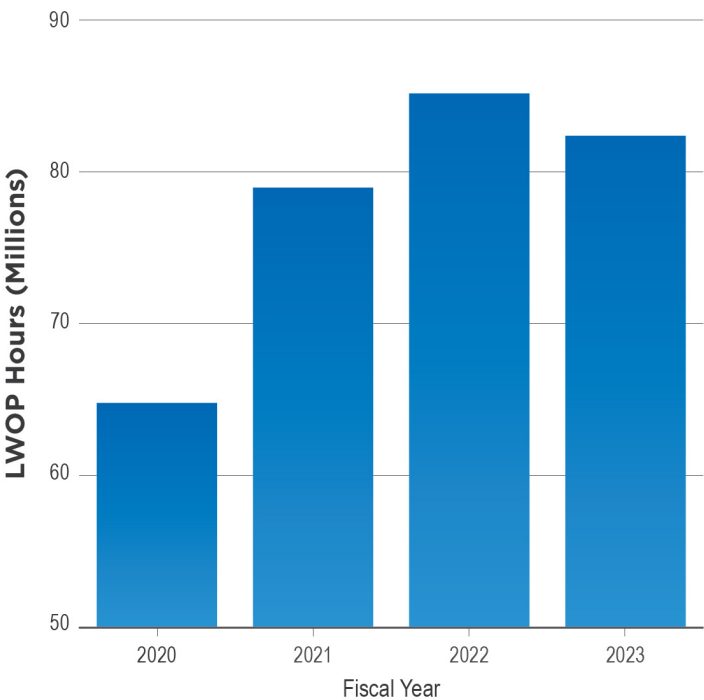
Leave Without Pay Activity

On average, the Postal Service used about 78 million hours of LWOP annually, during FY 2020 through FY 2023. Since LWOP is a non-pay status, there are no labor hour costs associated to these hours. Beginning in FY 2020, LWOP activity consistently trended upward and reached a peak in FY 2022, totaling more than 85 million hours, before declining slightly in FY 2023. During FY 2021, the Postal Service used 79 million hours of LWOP, which was a 22 percent increase from the prior year and represented the largest increase during the four-year period (see Figure 4).

¹¹ The sick leave costs and hours shown in this figure do not include activity related to COVID-19.

Figure 4. Nationwide Leave Without Pay Hours

Fiscal Year	LWOP Hours	Percent Change
2020	64,716,345	-
2021	79,109,390	22%
2022	85,426,047	8%
2023	82,578,900	-3%
Average	77,957,671	



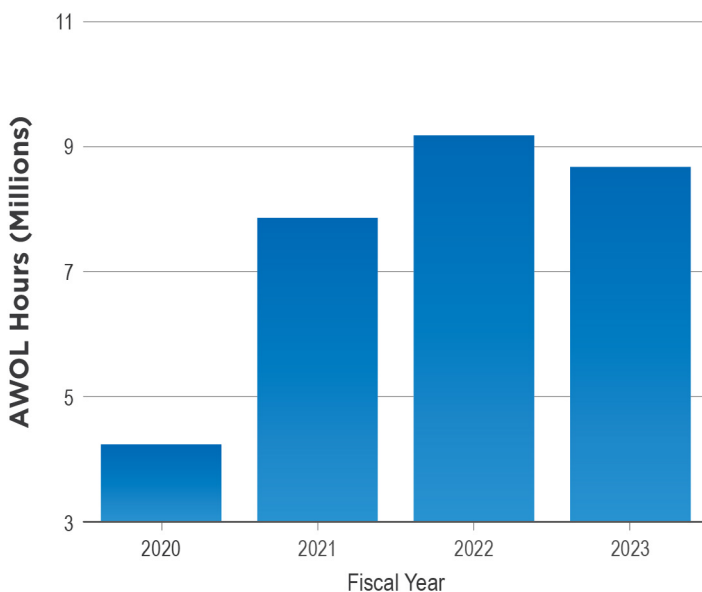
Source: eFlash system.

Absent Without Leave Activity

On average, the Postal Service used about eight million hours of AWOL annually during FY 2020 through FY 2023. Similar to LWOP — since AWOL is a non-pay status — there are no labor hour costs associated to these hours. Beginning in FY 2020, AWOL activity consistently trended upward and reached a peak in FY 2022, totaling more than 9 million hours, before declining slightly in FY 2023. During FY 2021, the Postal Service used 7.9 million hours of AWOL, which was an 84 percent increase from the prior year and represented the largest increase during the four-year period (see Figure 5).

Figure 5. Nationwide Absent Without Leave Hours

Fiscal Year	AWOL Hours	Percent Change
2020	4,277,872	-
2021	7,889,285	84%
2022	9,176,972	16%
2023	8,701,275	-5%
Average	7,511,351	

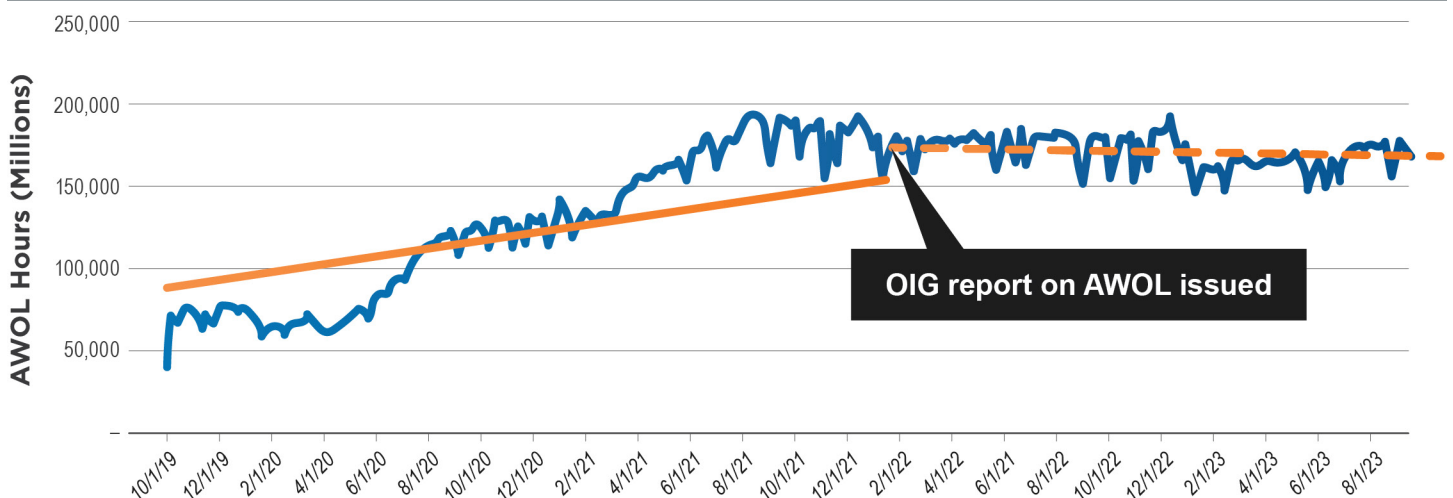


Source: eFlash system.

On January 7, 2022, we issued an audit report on Postal Service employees in an AWOL status.¹² Management generally agreed with all eight recommendations, which addressed concerns with inconsistent oversight of these employees and their documentation. As shown in Figure 6, following the issuance of this audit report, AWOL hours began a downward trend after years of increased activity.

According to Postal Service policies, management is responsible for controlling unscheduled absences, which includes informing employees of leave regulations, discussing attendance records with individual employees when warranted, and maintaining and reviewing Postal Service (PS) Form 3972, Absence Analysis, and PS Form 3971, Request for or Notification of Absence.¹³ These responsibilities include implementing corrective action for employees who do not regularly attend work and who have been given an opportunity to improve. Corrective action must be maintained in a separate file and entered into the attendance control application.¹⁴ Action taken to reduce leave abuse must be corrective. Attempts to correct must, in most cases, begin with discussions to determine reasons for sick leave usage. Discussions with the employee must occur as soon as abuse appears. If the abuse continues, disciplinary action may be appropriate.

Figure 6. Nationwide Absent Without Leave Hours



Source: eFlash system.

¹² Unscheduled Leave – Absence Without Leave (AWOL) Status (Report Number 21-140-R22).

¹³ ELM Section 511.42, March 2024.

¹⁴ Attendance Control Job Aid, Page 1, January 2022.

Disciplinary action taken should normally be progressive; however, for severe deficiencies such as AWOL, stronger action may be warranted as a corrective measure.¹⁵

“Supervisors believed the steps required to administer progressive corrective actions were time consuming and acknowledged inconsistencies in the enforcement of policies because other duties took priority.”

There were several reasons why supervisors did not always implement corrective action or enforce Postal Service’s attendance control policy for employees who did not regularly attend work. In some cases, supervisors believed the steps required to administer progressive corrective actions were time consuming and acknowledged inconsistencies in the enforcement of policies because other duties took priority. Additionally, supervisors believed the training received on supervisory responsibilities was insufficient and that more training on attendance control and the disciplinary process was needed. Currently, the Postal Service lists two in-person/virtual class events related to employee availability in its HERO training system; however, there are no planned upcoming training classes, and we did not identify any past attendees nationwide for these courses. Lastly, some supervisors were intimidated by potential grievances and Equal Employment Opportunity complaints employees may file because of corrective action taken.

Not taking progressive corrective action or immediately addressing absences when an employee returns to work can lead to complacency and an increased risk that employees will continue to disregard workplace attendance policies.

Recommendation #1

We recommend the **Vice President, Labor Relations**, in coordination with **Vice President Organization Development**, implement mandated training related to attendance control and employee availability to front-line supervisors nationwide.

Postal Service Response

Management did not indicate in their written response whether they agreed or disagreed with this finding. However, management agreed with recommendation 1. In subsequent correspondence, management confirmed they agreed with finding 1. Management stated the example of one employee with 220 unscheduled leave occurrences is questionable, and no information was included to indicate if any of the absences were covered by a Family Medical Leave Act condition for this employee or the other two cited. In response to the recommendation, management stated that in FY 2025, all supervisors in field operations will be required to complete “Fundamentals of Managing Attendance,” an online Postal Service course related to attendance control and employee availability. The target implementation date is June 30, 2025.

OIG Evaluation

The U.S. Postal Service Office of Inspector General (OIG) considers management’s comments responsive to recommendation 1, and corrective actions should resolve the issues identified in the report.

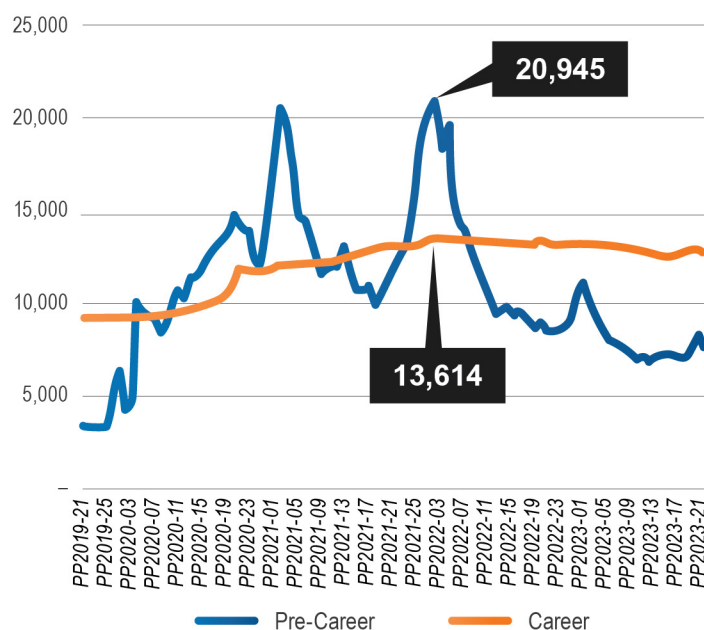
Regarding management’s comments related to the employees cited in the examples, the information available to the OIG did not indicate whether they were covered by a Family Medical Leave Act condition. During the audit, facility management was nonresponsive to the OIG’s requests to obtain additional information on these employees.

¹⁵ Attendance Control Job Aid, Page 3, January 2022.

Finding #2: Employees With Zero Workhours

Postal Service management did not always effectively address career and pre-career employees with zero workhours to improve employee availability. The Postal Service maintains a Zero Hours Dashboard¹⁶ that reports the career employees who have not worked in the past 13 or more pay periods, and pre-career employees who have not worked in the past two or more pay periods. The number of employees with zero workhours has fluctuated between FY 2020 and FY 2023 and peaked in pay period two of FY 2022. During this peak period, management reported 13,614 career and 20,945 pre-career employees with zero workhours. By the end of FY 2023, the Postal Service had 12,842 career employees and 8,208 pre-career employees with zero workhours (see Figure 7).

Figure 7. Career and Pre-Career Employees With Zero Workhours

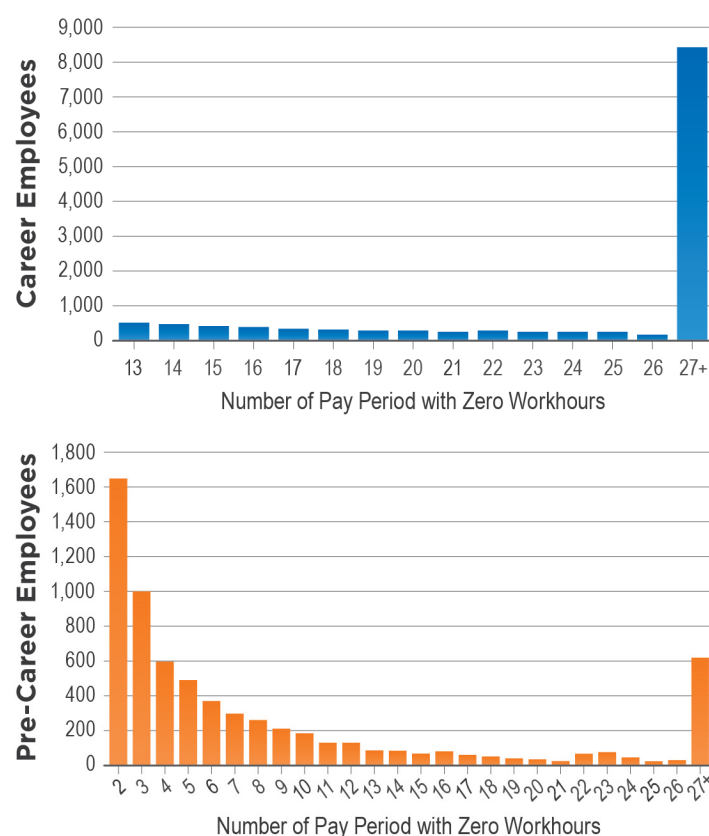


Source: USPS Workforce Dashboard.

Management significantly lowered the number of pre-career employees with zero workhours by 61 percent by the end of FY 2023 when compared to the peak. They reduced pre-career employees' zero workhours because it is an easier process to remove these employees from the Postal Service

rolls. However, further attention is needed for career employees with zero workhours, which only saw a slight decrease of 6 percent. During November 2023, 8,447 career employees had zero workhours for over 27 pay periods (or more than a year), whereas 2,682 pre-career employees had zero workhours between two and three pay periods (or one and one-half months) (see Figure 8).

Figure 8. Number of Pay Periods With Zero Workhours

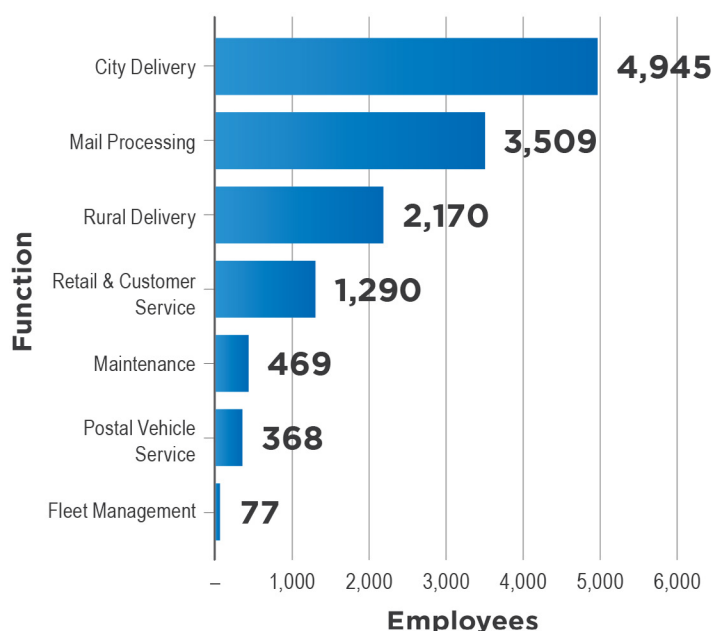


Source: USPS Workforce Dashboard.

Additionally, the December data showed 4,945 (or 39 percent) of the 12,828 career employees with more than 13 pay periods with zero workhours were city delivery employees, which was the largest compared to the other six reported functional groups (see Figure 9).

¹⁶ The Zero Hours Dashboard is updated at the end of every pay period and includes career and pre-career craft employees that do not have any workhours.

Figure 9. Career Employees With Zero Workhours



Source: USPS Workforce Dashboard.

According to Postal Service guidance, management should leverage real-time, web-based tools, such as the Zero Hours Dashboard, to improve employee availability, and zero workhours should be reviewed at the individual employee level.¹⁷ Additionally, employees are expected to maintain their assigned schedule and must make every effort to avoid unscheduled absences.¹⁸

Career and pre-career employees with zero workhours remained on the dashboard because supervisors could not return some employees back to work on their own. For example, supervisors characterized the process of getting employees who are on the Zero Hours Dashboard back to work or removed from the report as difficult and cumbersome since they do not have the authority to make final decisions. Supervisors need to coordinate with district labor relations and/or injury compensation personnel, depending on the reason for the individual being on the Zero Hours Dashboard. Additionally, grievances delay removing employees from the Zero Hours Dashboard because

the grievance process has many steps and can take years to resolve.

When situations of employees with zero reported workhours are not addressed, facilities are short-staffed, and management cannot fill positions because employees on the Zero Hours Dashboard are occupying these positions. This places an extra burden on the remaining employees, which can impact morale, reduce productivity, and cause mail delays.

Recommendation #2

We recommend the **Chief Processing and Distribution Officer and Executive Vice President; Chief Retail & Delivery Officer and Executive Vice President; Chief Logistics and Infrastructure Officer and Executive Vice President**, instruct supervisors to manage employees on the Zero Hours Dashboard and identify ways to get employees back to work or removed from the Postal Service rolls.

Postal Service Response

Management did not indicate in their written response whether they agreed or disagreed with this finding. However, management agreed with recommendation 2. In subsequent correspondence, management confirmed they agreed with finding 2. In response to the recommendation, management stated they will issue a memo to instruct managers and supervisors to engage with all zero workhour employees and address these absences. The target implementation date is October 31, 2024.

OIG Evaluation

We consider management's comments responsive to recommendation 2, and corrective actions should resolve the issues identified in the report.

¹⁷ Human Resources Workforce Planning and Complement Management Committee Process, dated October 2022.

¹⁸ ELM Section 511.43, March 2024.

Finding #3: Supporting Medical Documentation

Postal Service management did not always obtain supporting medical documentation from employees who took more than three days of consecutive sick leave, as required.¹⁹ We selected a statistical sample of 400 regular sick leave occurrences of more than three days between FY 2020 and FY 2023 from 40 randomly selected Postal Service facilities nationwide. Management from all 40 facilities did not provide medical documentation for 358 (or 90 percent) of the 400 statistically sampled sick leave occurrences. See [Appendix B](#).

“We identified about \$240 million of unsupported questioned costs related to the Postal Service not obtaining or maintaining required supporting medical documentation to validate sick leave taken during FY 2022 and FY 2023.”

While sick leave is a component of employee availability, being absent from work due to illness is allowed. However, employees should only use sick leave when their health is prohibiting their work performance or the safety and health of others. For absences that exceed three consecutive days, employees are required to submit medical documentation or other acceptable evidence of incapacity to work or of need to care for a family member and, if requested, substantiation of the family relationship.²⁰ If acceptable documentation is not provided, the absence may be charged to annual leave, LWOP, or AWOL.²¹ Additionally, resource management records related to leave application, time and attendance, and light duty status should be retained for three years.²²

This condition occurred because supervisors were not always diligent with obtaining documentation from employees when they used sick leave for more than three days. Supervisors acknowledged that they understand the medical documentation requirement; however, they have not been consistent in requesting or requiring employees to submit documentation because their priority is to get the mail delivered.

Without the required supporting documentation, supervisors cannot verify whether employees are abusing their sick leave or legitimately unavailable for work. With these uncertainties, there is an increased risk that this could negatively impact morale, reduce productivity, increase overtime costs, and increase the administrative burden for supervisors and managers. We identified about \$240 million of unsupported questioned costs related to the Postal Service not obtaining or maintaining required supporting medical documentation to validate sick leave taken during FY 2022 and FY 2023.

Recommendation #3

We recommend the **Vice President, Human Resources**, reiterate sick leave policy to all employees and coordinate with the **Vice President, Technology Applications**, to automate controls to remind management to obtain supporting medical documentation and file the documentation, as required.

Postal Service Response

Management did not indicate in their written response whether they agreed or disagreed with this finding. However, management agreed with recommendation 3, but disagreed with the monetary impact. In subsequent correspondence, management confirmed they agreed with finding 3. They stated cases of exactly three days (24 hours) in the calculation do not require documentation. Also, the number of sick leave hours should have been measured

¹⁹ ELM Section 513.362, March 2024.

²⁰ ELM Section 513.362, March 2024.

²¹ ELM Section 513.365, March 2024.

²² ASM 353, Section 100.500, February 2019.

based on the total sick leave hours for pay weeks with 32 or more consecutive sick leave hours, and the sick leave costs should have been measured for more than three days of sick leave per occurrence. In response to the recommendation, management stated that they will create an officer memorandum, stand-up talk, and a postcard to be mailed to all employees that outline the sick leave policies per the Employee and Labor Relations Manual. Management will also modify the Enterprise Resource Management System to recognize any sick leave entered that exceeds three full consecutive days and prompt management to confirm they obtained and filed supporting medical documentation in accordance with Postal Service policies. The target implementation date is June 30, 2025.

OIG Evaluation

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

Regarding the monetary impact, we acknowledge documentation is only required for absences of more than 24 hours, which represents more than three consecutive days, and was the basis of our monetary impact calculation. However, management inaccurately asserted that the calculation should have been based on weeks with 32 or more consecutive sick leave hours. In perspective, 97 percent of the sample was for sick leave occurrences of at least 32 hours per week. Therefore, we believe our monetary impact calculation is a fair reflection of the unsupported questioned costs we identified.

Appendices

Appendix A: Additional Information.....

Scope and Methodology

Prior Audit Coverage

Appendix B: List of 40 Sample Sites

Appendix C: Management’s Comments

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Appendix A: Additional Information

Scope and Methodology

We reviewed and analyzed nationwide employee availability data from TACS and eRMS between FY 2020 and FY 2023.

To accomplish our objective, we:

- Obtained and reviewed Postal Service policies and procedures related to managing employee availability.
- Obtained and analyzed employee availability data to identify trends, patterns, risk areas, and anomalies.
- Validated a statistical sample of 400 sick leave occurrences of more than 24 hours between FY 2020 and FY 2023 from 40 randomly selected Postal Service facilities nationwide, which represented all four retail and delivery areas, all two processing regions, and one of four logistics regions.
- Interviewed facility, district, and headquarters management to identify employee availability policies and procedures, systems and applications, and processes in place throughout the agency.
- Conducted site visits at 17 locations. These facilities were judgmentally selected based on employee availability percentage, leave-hour activity, employee complement, and number of employees with zero workhours. This consisted of three post offices (POs), four processing and distribution centers (P&DCs), three NDCs, and the Material Recovery Center. In addition, we visited six logistics offices co-located at the P&DCs and NDCs. At these facilities, we gained an understanding of their leave approval and denial, relevant training, handling of leave abuse, monitoring of employee availability initiatives, and employees with zero workhours.

We conducted this performance audit from November 2023 through August 2024 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 23, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the employee availability internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following five components were significant to our audit objective: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.

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

We assessed the reliability of employee availability data by tracing them to source and supporting documentation and discussing and verifying 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
<i>Unscheduled Leave – Absence Without Leave (AWOL) Status</i>	To assess the management of U.S. Postal Service employees in absence without leave (AWOL) status to identify opportunities to timely address employees in AWOL status and manage cost.	21-140-R22	01/07/22	\$11.4 million

Appendix B: List of 40 Sample Sites

Sample Sites	Average Employee Availability Percent	Medical Documents Not Received
Fresno, CA-Woodward Park Station	83.0%	100%
Oakland, CA, P&DC	80.7%	100%
San Diego, CA, Point Loma Station	84.3%	100%
San Francisco, CA, P&DC	81.2%	90%
San Jose, CA-Cambrian Park Station	84.4%	70%
South Gate, CA, PO	85.5%	100%
Denver, CO, NDC	86.0%	100%
Port Saint Lucie, FL, PO	84.6%	100%
Jacksonville, FL-Lake Shore Station	81.7%	100%
Key West, FL, PO	82.4%	100%
Orange City, FL, PO	86.8%	100%
Honolulu, HI, P&DC	84.8%	70%
Boise, ID, Regional Processing & Distribution Center	85.7%	90%
Chicago, IL, International Service Center	81.0%	50%
Logistics-Chicago, IL, P&DC	78.4%	100%
Evanston IL, PO	77.9%	100%
Palatine, IL, P&DC	79.1%	50%
Louisville, KY, P&DC	82.8%	90%
Laurel, MD, PO	82.5%	100%
Washington, MD, NDC	79.0%	100%
Detroit MI-Joyfield Station	71.1%	90%
Columbia, MO, P&DC	84.8%	100%
Dover, NJ-Dover Carrier Annex	80.4%	100%
New Jersey NDC	78.3%	100%
Brooklyn, NY-Vandever Station	76.2%	60%
Bronx, NY-Riverdale Station	74.9%	80%
Buffalo NY-Eastside Station	81.7%	70%
New York, NY-Franklin D. Roosevelt Station	82.6%	100%
New York, NY-Lenox Hill North Carrier Station	80.0%	100%
Cleveland, OH, P&DC	77.7%	100%
Philadelphia, PA-Main Office Station	78.2%	100%
Charleston, SC-Pinehaven Branch	82.0%	100%
Beaumont, TX, Local Processing Center (LPC)	84.7%	100%
North Texas, TX, P&DC	79.0%	60%
Ft Worth, TX, P&DC	79.1%	80%
Mineral Wells, TX, PO	84.3%	100%
Norfolk, VA, LPC	83.8%	100%
Virginia Beach, VA, PO	85.5%	60%
Milwaukee, WI, P&DC	80.5%	90%
Oak Creek, WI, P&DC	80.7%	80%
Sample Site Average	81.4%	-
Nationwide Average	83.2%	-

Appendix C: Management's Comments



8/9/2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Employee Availability (23-175-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *Employee Availability*.

Regarding the Monetary impact listed for Unsupported Questioned costs of \$239,729,537, management does not agree with the amount reported. The calculation is based upon offices that did not provide the requested documentation which was required to be provided by the employee for absences that exceeded three consecutive days. Of the 40 sampled facilities, Management did not provide medical documentation for 358 (or 90 percent) of the 400 statistically sampled sick leave occurrences. Most of these facilities do not have an occupational health nurse, nurse administrator, or Postal Service physician at their location. Medical information is also protected from being viewed by postal management; therefore, this may have led to complications in obtaining the requested medical information by the OIG from facility management.

Additionally, any remaining absences for reasons other than COVID-19, must be recalculated to determine the actual number of occurrences. The first day of the absence "may" be unscheduled; however, subsequent days in the same call in, should be marked as scheduled, as we have received notification in advance of the future dates of absence. Each call in represents one occurrence. For example, an employee calling in once per week for the whole week for six weeks would be cited with 6 occurrences: rather than 30 occurrences.

Please note, COVID-19 was a National recognized illness which the postal service provided a letter of instruction for 'Liberal Changes of Schedule and Leave' for absences between Feb 29, 2020, through May 17, 2020, as these will not be cited in any discipline for failing to maintain an assigned schedule under ELM 511.43. This letter was extended through May 6, 2022, on March 25, 2022, as a result of the national pandemic. Therefore, none of the absences can be included in this Monetary Impact which were related to COVID-19 between February 29, 2020, through March 25, 2022.

"Unsupported Questioned Costs" Impact Category:

The data supporting the calculation of Postal Service costs is incorrect. ELM §513.362 requires consecutive absence exceeding 3 days. While the report correctly states the ELM §513.362 requirement for submission of "medical documentation or other acceptable evidence of incapacity of work or of need to care for a family member, and, if requested, substantiation of the family relationship" for absences that exceed 3 consecutive days, the defined universe failed to specify a measurement of *consecutive* days absent. Instead, the universe was defined as "all occurrences greater than 32 hours in a pay week from FY 2020 to FY 2023 at facilities where the number of occurrences between FY 2021 and FY 2023 was more than 50". Therefore, the calculation is fundamentally flawed

because the universe was not defined consistent with the ELM requirement. The absences must be consecutive, and it is possible to have 32 hours of sick leave per week without having 3 consecutive days of absence.

Additionally, both Table 1 and 2 purport to calculate the total "Postal Service Sick Leave Cost for 3 or More Days"; however, Table 1, footnote 5, states that the number of sick leave hours was measured based on "total sick leave hours for pay week with **24 or more** sick leave hours" (sic) (emphasis added). The inclusion of cases of exactly 3 days (24 hours) in this calculation necessarily includes cases in which documentation is not required. Similarly, Table 2 includes a calculation of "Postal Service Sick Leave Cost for 3 or More Days", but this also includes cases in which documentation is not required since documentation is only required for absences of more than 3 days. The number of sick leave hours should have been measured based on the total sick leave hours for pay weeks with *32 or more* consecutive sick leave hours, and the sick leave costs should have been measured for more than 3 days of sick leave per occurrence. Calculations properly applying ELM §513.362 in conjunction with a correctly defined universe would yield a result lower than \$239,729,537.

Following are our comments on each of the two findings and three recommendations.

Finding #1: Progressive Corrective Action

The progressive corrective action steps are correct.

The example of one employee with 220 unscheduled leave occurrences for one employee is questionable with only 249 workdays in FY23. Progressive corrective action was taken with a letter of warning and a 7-day suspension. No information was included to indicate if any of the absences were covered by an FMLA condition for this employee or the other two cited.

Sick Leave / Leave Without Pay / Absent Without Leave Activity:

Included any employee who was on leave due to COVID-19, which included non-citable disciplinary time between February 29, 2020, through March 25, 2022. All leave for COVID-19 during this time period should be removed from this audit.

Finding #2: Employees With Zero Workhours

Pre-career employees were included in the letter of instruction for 'Liberal Changes of Schedule and Leave' for absences between Feb 29, 2020, through March 25, 2022. All leave for COVID-19 during this time period should be removed from this audit.

Recommendation 1:

We recommend the **Vice President, Labor Relations**, in coordination with **Vice President Organization Development**, implement mandated training related to attendance control and employee availability to front-line supervisors nationwide.

Management Response/Action Plan:

Management agrees with this recommendation.

In FY 25, all supervisors in field operations will be required to complete course #2021HRSC4516SS01 - Fundamentals of Managing Attendance, an online postal course related to attendance control and employee availability.

Course description:

"*Fundamentals of Managing Attendance*" is an online class designed for supervisors or managers, who are required to administer the leave program following USPS policy. The

course outlines two essential components: (1) administering the leave program; and (2) communicating leave expectations and policies proactively to employees. In this course, it covers; administrating leave policy in accordance with our regulations including how to document absences correctly, identify key steps required in administering the leave program, recognize Family and Medical Leave Act (FMLA) occurrences; and apply best practices when handling difficult situations. The individual will have an opportunity to apply their knowledge to some common scenarios they may encounter.

Target Implementation Date: June 30, 2025

Responsible Official: Vice President, Labor Relations
Vice President Organization Development

Recommendation 2:

We recommend the **Chief Processing and Distribution Officer and Executive Vice President; Chief Retail & Delivery Officer and Executive Vice President; Chief Logistics and Infrastructure Officer and Executive Vice President**, instruct supervisors to manage employees on the Zero Hours Dashboard and identify ways to get employees back to work or removed from the Postal Service rolls.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will issue a joint memo to instruct managers and supervisors to engage with all zero workhour employees per policy and current standard operating instructions and address these absences.

Target Implementation Date: 10/31/2024

Responsible Official: Chief Processing and Distribution Officer and Executive Vice President; Chief Retail & Delivery Officer and Executive Vice President; Chief Logistics and Infrastructure Officer and Executive Vice President,

Recommendation 3:

We recommend the **Vice President, Human Resources**, reiterate sick leave policy to all employees and coordinate with the **Vice President, Technology Applications**, to automate controls to remind management to obtain supporting medical documentation and file the documentation, as required.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will create an Officer Memorandum, Stand Up Talk, and a postcard to be mailed to all employees that outlines the sick leave policies per the Employee and Labor Relations Manual (ELM).

Management will modify the Enterprise Resource Management System (eRMS) system to recognize any sick leave entered that exceeds 3 full consecutive days. The system will generate an eRMS Admin Action message on the home module prompting management to respond. The Admin Action module will require management to confirm they obtained and filed supporting medical documentation in accordance with Postal policies.

Target Implementation Date: 06/30/2025

Responsible Official:

Vice President, Human Resources

Vice President, Technology Applications

Simon Storey

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Storey
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Simon M. Storey

Vice President, Human Resources



8/9/2024

Thomas J. Blum

Vice President, Labor Relations

Alison Turner

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Angela Lawson

Vice President, Technology Applications



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Ronnie J.
Jarriel

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Ronnie J. Jarriel

Chief Logistics & Infrastructure Office and Executive Vice President

Joshua D
Colin Phd

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Joshua D. Colin

Chief Retail & Delivery Officer and Executive Vice President

Isaac S.
Cronkhite

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Isaac S. Cronkhite

Chief Processing & Distribution Officer and Executive Vice President

cc: *Corporate Audit & Response Management*

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



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