



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Overtime at the Iowa City Post Office

Management Advisory Report

Report Number
HR-MA-14-009

September 18, 2014

Iowa City Post Office





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Highlights

In FY 2013, overtime was 13.9 percent of total workhours at the Iowa City Post Office compared to the Postal Service's national goal of 5.6 percent, and the national average rate of 9.3 percent.

Background

This report responds to a request from Iowa Senator Charles E. Grassley regarding a constituent's concern about excessive overtime at the Iowa City Post Office. The constituent alleged the majority of the 140 employees at the facility have worked 6 days a week for more than a year.

Overtime is a premium eligible employees receive for work performed in excess of 8 paid hours in a day or 40 paid hours in a week. The U.S. Postal Service uses overtime to provide flexibility and meet its operational requirements efficiently without having to increase its overall complement.

Iowa City's economic growth has contributed to the metropolitan area having the eighth lowest unemployment rate in the nation. Iowa City has experienced low unemployment for an extended period, which has created challenges for management in hiring and retaining employees. Our objective was to evaluate the use of overtime at the Iowa City Post Office.

What The OIG Found

The amount of overtime at the Iowa City Post Office was significantly greater than the national goal. Specifically, in fiscal year 2013, overtime was 13.9 percent of total workhours at the Iowa City facility compared to the Postal Service's national goal of 5.6 percent, and the national average rate of 9.3 percent.

Also, from January 2013 through January 2014, Iowa City Post Office employees, on average, worked 6 days a week, 40 percent of the time. The facility used a large amount of overtime because carrier positions were understaffed and parcel volumes increased. Additionally, facility management did not perform route inspections or effectively divide overburdened or vacant routes among carriers. Finally, management did not follow overtime procedures, resulting in overtime grievance payouts 179 percent higher than the national average.

If management does not properly staff the facility, manage parcel volume increases, use available tools to control overtime, and follow overtime procedures, the Postal Service could be exposed to unnecessary grievances and incur additional overtime costs. Excessive overtime could also harm employee morale.

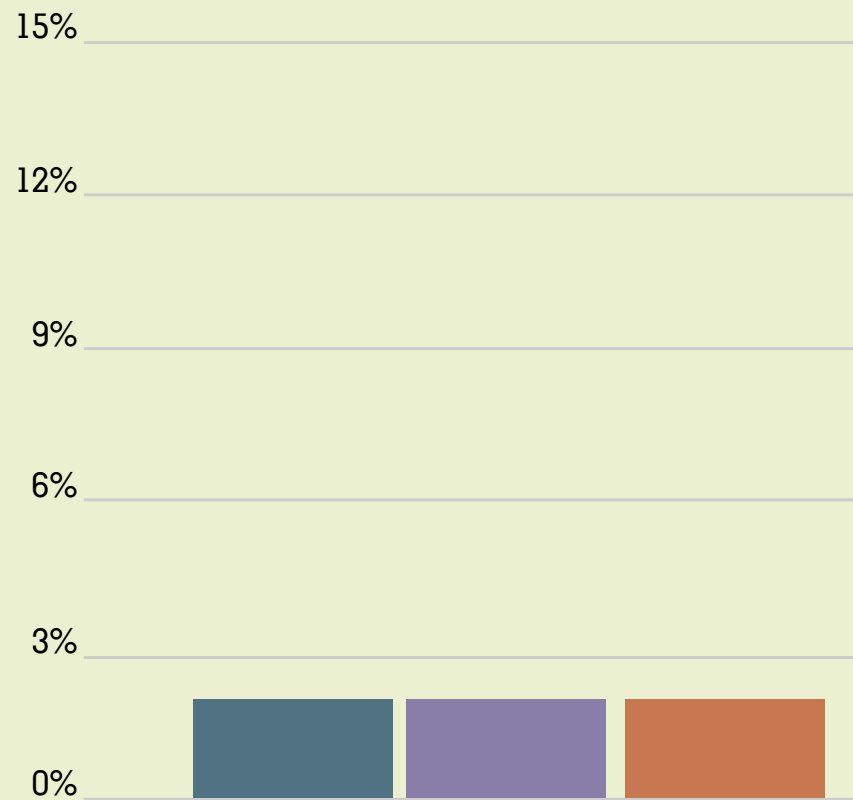


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Iowa City Post Office overtime was well above the Postal Service's national goal.

Roll over to see how Iowa City compares



What The OIG Recommended

We recommended management implement a plan to recruit and retain employees at the Iowa City Post Office; implement procedures to ensure all routes are structured within 8 hour assignments; implement procedures to ensure management pivots available routes; and train facility management on techniques to effectively manage overtime to reduce overtime grievances.


Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 18, 2014

MEMORANDUM FOR: WILLIAM J. HERRMANN
DISTRICT MANAGER, HAWKEYE DISTRICT

E-Signed by Janet Sorensen
VERIFY authenticity with eSign Desktop


FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Revenue and Resources

SUBJECT: Management Advisory Report – Overtime
at the Iowa City Post Office
(Report Number HR-MA-14-009)

This report presents the results of our review of the use of Overtime at the Iowa City Post Office (Project Number 14YR002HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monique P. Colter, director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Findings

Introduction

This report presents the results of our review of postal employee overtime in Iowa City, IA (Project Number 14YR002HR000). The report responds to a request from Senator Charles E. Grassley of Iowa regarding a constituent's concern about excessive overtime at the Iowa City Post Office. The constituent alleged a significant number of employees at the facility have worked 6 days a week for more than a year. Our objective was to evaluate the use of overtime at the Iowa City Post Office. See [Appendix A](#) for additional information about this audit.

U.S. Postal Service overtime is work eligible employees perform in excess of 8 paid hours in a day or 40 paid hours in a week. Employees receive premium pay for overtime work. The Postal Service uses overtime to provide flexibility and meet its operational requirements efficiently without having to increase its overall complement.

The Iowa City Post Office has about 140 bargaining and nonbargaining employees.¹ Postal Service management must adhere to overtime rules and regulations contained in Postal Service handbooks and manuals and included in union contracts.² Management has also developed tools required to control and monitor overtime. For example, the Delivery Operation Information System (DOIS) is used to manage delivery operations and assess workload to project carrier office and street times based on mail volumes.

Conclusion

Iowa City Post Office overtime was well above the Postal Service's national goal. Specifically, overtime represented 13.9 percent of total workhours in fiscal year (FY) 2013 at the facility compared to the Postal Service's planned overtime rate of 5.6 percent and the national average rate of 9.3 percent. In addition, from January 2013 through January 2014, employees at the Iowa City Post Office, on average, worked 6 days a week, 40 percent of the time.

The Iowa City Post Office used a large amount of overtime because carrier positions were understaffed and parcel volumes increased. Additionally, facility management did not perform route inspections or effectively divide overburdened or vacant routes among carriers. Finally, management did not follow overtime procedures, resulting in overtime grievance payouts 179 percent higher than the national average.³ If management does not properly staff the facility, manage parcel volume increases, use available tools to control overtime, and follow overtime procedures, the Postal Service could incur unnecessary overtime costs. Excessive overtime could also harm employee morale.

¹ Average number of employees at the Iowa City Post Office for a 12-month period (April 2013 – March 2014).

² Major unions for Postal Service employees are American Postal Workers Union, National Association of Letter Carriers, National Rural Letter Carriers' Association, and National Postal Mail Handlers Union.

³ The Hawkeye District manager expressed concerns with the overtime and grievance comparisons and requested comparisons with facilities with similar complements, and specifically with regard to city carriers. However, the complaint we received was not limited to a specific craft; therefore, we reviewed all overtime at the Iowa City Post Office and based our comparisons on the Postal Service's goals and national averages.

This report has not yet been reviewed for release under FOIA or the Privacy Act. Distribution should be limited to those within the Postal Service with a need to know.

In FY 2013, the Iowa City Post Office paid three carriers and two mail processing clerks between \$27,000 and \$36,000 each in overtime workhours, which represented between 51 and 65 percent of their regular base salaries.

Overtime at the Iowa City Post Office

The Iowa City Post Office used a significant amount of overtime and the facility's overtime rate was consistently above the Postal Service's goal. To meet service standards, Postal Service employees at the Iowa City Post Office were often required to work overtime, including daily,⁴ scheduled days off, and holidays. From January 2013 through January 2014, on average, employees at the Iowa City Post Office⁵ worked 6 days a week, 40 percent of the time. During that period, one employee did not have any days off,⁶ one employee had just 1 day off, and two employees had 3 days off.

In FY 2013, the Iowa City Post Office paid three carriers and two mail processing clerks between \$27,000 and \$36,000 each in overtime workhours,⁷ which represented between 51 and 65 percent of their regular base salaries (see Table 1).

Table 1. FY 2013 High Earner Employees at the Iowa City Post Office

Category	FY 2013 Salary	Overtime	Total Compensation	Percentage of Overtime Dollars to Salary
City Carrier	\$56,508	\$36,867	\$93,375	65%
City Carrier	\$56,508	\$30,535	\$87,043	54%
City Carrier	\$56,508	\$30,528	\$87,036	54%
Mail Processing Clerk	\$54,777	\$28,875	\$83,652	53%
Mail Processing Clerk	\$52,967	\$27,271	\$80,238	51%

Source: Postal Service Datakeeper System.

The high rate of overtime occurred because employee staffing was inadequate, parcel volumes increased and management oversight was ineffective.

Employee Staffing

Facility management did not consistently have enough city and rural carriers on staff and did not have an effective plan to recruit and retain employees at the Iowa City Post Office. Instead, management used overtime to meet service standards. According to Postal Service policy, all levels of managers throughout the Postal Service are responsible for planning and implementing administrative and operating methods that comply with organizational structures and staffing.⁸ Also, managers should ensure that staffing meets the unit's objective.⁹

⁴ More than 8 hours.

⁵ Reviewed 113 Iowa City Post Office employees' overtime hours.

⁶ Based on a 6-day workweek.

⁷ For this report overtime also includes penalty overtime hours. Penalty overtime is compensation paid to eligible personal at two times the employee's base hourly straight time rate.

⁸ *Employee and Labor Relations Manual* (ELM) 36, September 2013, Section 112.3.

⁹ ELM 36, Section 151.

Iowa City has had one of the lowest unemployment rates in the nation. Its unemployment rate is currently 2.7 percent, compared to the national average of 6.7 percent.

In FY 2013, on average, carriers nationwide delivered about 55 packages per route while the Iowa City carriers delivered about 95 packages per route.

City carrier positions were understaffed for 1 quarter in FY 2014 and 3 quarters in FY 2013. Table 2 shows the number of employees on the payroll, total earned positions¹⁰ based on mail volume, and the number and percentage of unfilled carrier positions for each quarter.

Table 2. City Carrier Complement Analysis for Iowa City

FY – Quarter (Qtr)	Paid Employees	Earned Positions	Employees Short	Percentage Short
FY 2014 - Qtr 2	64	62	0	0%
FY 2014 - Qtr 1	58	64	6	9%
FY 2013 - Qtr 4	57	61	4	6%
FY 2013 - Qtr 3	62	61	0	0%
FY 2013 - Qtr 2	57	63	6	9%
FY 2013 - Qtr 1	55	65	10	16%

Sources: Enterprise Data Warehouse (EDW) system and City Delivery Variance website.

The Postal Service pays carrier assistants wages that are comparable to other major employers in the area. Facility management can hire a predetermined number of noncareer carrier assistants¹¹ to minimize overtime use and increase flexibility and efficiency. However, management experienced challenges with hiring and retaining city carrier assistants (CCAs) and rural carrier assistants (RCAs)¹² to deliver mail because Iowa City has had one of the lowest unemployment rates in the nation – its unemployment rate is currently 2.7 percent, compared to the national average of 6.7 percent¹³ – and the facility is located in an affluent area with strong economic growth.

Furthermore, the retention rate for the carrier assistants was low because of the limited benefits,¹⁴ harsh working conditions (for example, volatile weather, physical wear and tear on the body), and excessive overtime. From February 2011 to May 2014,¹⁵ the Iowa City Post Office hired 78 mail carriers consisting of transitional employees¹⁶ (TE), RCAs, or CCAs. Twenty-three (29 percent) of them were converted to full-time carriers. Of the remaining employees, 39 (50 percent) resigned and 16 (21 percent) were terminated.

Parcel Volume

The Iowa City Post Office experienced large growth in parcel deliveries. It typically takes more time to deliver parcels because many of them have to be hand delivered for customer signatures or do not fit in mailboxes. In FY 2013, on average, carriers nationwide delivered about 55 packages per route while the Iowa City carriers delivered 73 percent more, or about 95 packages per route. From FYs 2010 to 2013, parcel delivery in Iowa City increased by about 46 percent. [Figure 1](#) shows the Iowa City parcel volume growth for FYs 2010 through 2013.

10 Earned positions refers to the number of employees allocated to a facility based on workhours, productivity, workload, routes, and delivery analysis using standardized productivity targets and performance trends.

11 Based on facility mail volume.

12 Noncareer city and rural carrier employees.

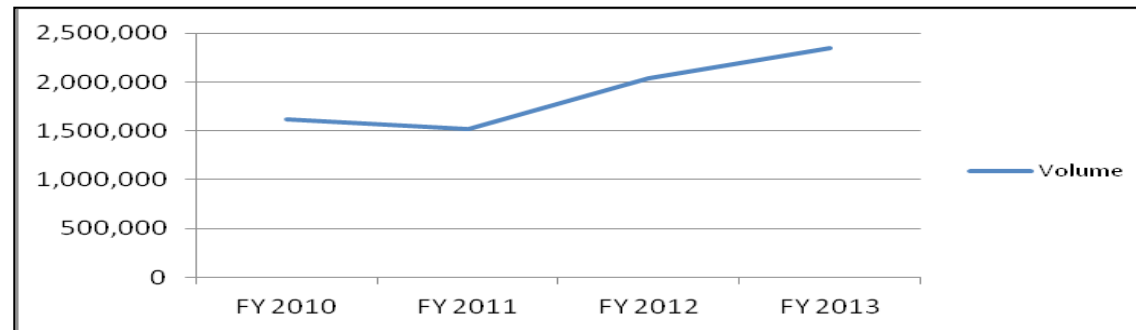
13 As of March 2014.

14 CCAs earn no sick leave, and health benefits can only be obtained after the completion of the first appointment of 360 days.

15 May 6, 2014.

16 TE were noncareer employees and were replaced with the CCA positions in April 2013.

Figure 1. Iowa City Post Office Parcel Volume FYs 2010 to 2013



Source: eFlash.

The DOIS is a Postal Service tool used to manage delivery operations and assess workload to project carrier office and street times based on mail volumes and route structures.¹⁷ We noted that facility management did not record additional parcels over base¹⁸ in DOIS. A DOIS *Workload Status Report*¹⁹ showed that on March 19, 2014, Iowa City carriers delivered about 17 parcels per carrier route. However, we found that Iowa City carriers on average delivered about 95 packages per route.

According to facility management since the DOIS did not account for all parcels, overtime was frequently granted to carriers to complete their routes. The Postal Service recently updated the DOIS system²⁰ nationwide allowing management to allocate additional street time to overburdened routes. The update will allow facilities to adjust parcels in the system, adequately project delivery street times, and provide carriers with sufficient delivery time for overburdened routes. As a result, we are not making a recommendation.

Management Oversight

Facility management did not always use the tools available, such as route inspections and pivoting,²¹ to manage the workforce and align it with the workload. This contributed to the high use of overtime. Additionally, the Postal Service incurred additional costs because overtime policies and procedures were not followed. Specifically:

- Facility management had not conducted Route Inspections²² for city carriers within the past 3 years at the Iowa City Post Office to ensure all routes were structured within 8 hour assignments. In FY 2011, the Coralville, IA, carriers were transferred to the Iowa City Post Office; however, management did not adjust the affected routes to account for the additional travel time between Iowa City and Coralville. Facility management acknowledged that an office-wide route inspection had not been performed at the unit within the past 3 years.

¹⁷ DOIS is a postal wide system managed by Postal Service Headquarters.

¹⁸ Base is a predetermined number of parcels per route resulting from previous route inspections.

¹⁹ A management report estimating carriers' office and street time based on mail volume.

²⁰ DOIS Client 5.2.0 Release Notes. The deployment started on May 20, 2014, and ended on June 5, 2014.

²¹ Pivoting allows a route to be divided in sections and assigned to various carriers for delivery.

²² Count mail and evaluate data to adjust routes to ensure the workload for each route will be within an 8-hour workday for the carrier.

Route adjustments play a prominent part in maintaining regular deliveries and conserving workhours.²³ To achieve and maintain an appropriate daily workload for delivery units and routes, management must conduct route and unit reviews at least annually.²⁴ The ideal route begins and ends as near as practicable to the delivery unit.²⁵

- Facility management did not take advantage of undertime²⁶ by dividing vacant or overburdened routes among carriers who completed their routes early. This practice is called pivoting. The *City Delivery Pivot Opportunity Model* showed Iowa City management pivoted, on average, about 16 percent of the routes available for pivoting during the last 6 months.²⁷ During the same period, the national pivoting average was about 50 percent. Postal Service management's goal is to pivot 100 percent of the opportunities at each unit.

According to facility management the opportunities for pivoting were diminished because the new CCAs were being trained and the seasoned carriers were assisting them with their routes. This resulted in additional overtime to accommodate the new CCAs' learning curve. In addition, routes were not always pivoted because the facility did not have sufficient carrier supervisors or the supervisors were inexperienced. The U.S. Postal Service Office of Inspector General (OIG) recognizes the need to train new employees and supervisors; however, the facility should strive to achieve the national pivoting averages.

- Facility management did not always adhere to union contracts, policies, and procedures for allocating overtime to employees. For example, when the need for overtime arises, management must initially select employees from the overtime desired list. Management may require employees not on the list to work overtime only if all available employees who have requested overtime have worked the maximum allowed for the day or week.²⁸ In addition, the Postal Service's Delivering Results, Innovation, Value, and Efficiency (DRIVE) Initiative 45, requires management to develop technology enhancements to reduce overtime grievance costs.²⁹

According to facility management, overtime policies and procedures were not always followed because there were not enough employees to meet the facility's operational requirements. Because overtime policies and procedures were not followed at the Iowa City Post Office, employees filed grievances and received grievance payouts. From May 2013 to April 2014, the Postal Service paid, on average, \$82 per employee nationwide for grievances related to overtime. During the same period, the Iowa City Post Office overtime grievance payout was 179 percent higher than the national average, or \$229 per employee.

If facility management does not ensure adequate staffing, manage parcel volume growth, use available tools to control overtime, and follow overtime procedures, the Postal Service could unnecessarily incur additional overtime costs. Excessive overtime could also harm employee morale.

23 Handbook M -39, *Management of Delivery Services*, Section 242.11, March 1, 1998, updated with *Postal Bulletin* revisions through March 18, 2004.

24 Handbook M – 39, Section 211.1.

25 Handbook M – 39, Section 242.121.

26 Extra time resulting from a carrier returning from his or her route before the established schedule.

27 The City Delivery Pivot Opportunity Model contains only 6 months of historical data. The timeframe reviewed was from September 28, 2013, to March 28, 2014.

28 National Agreement between the National Association of Letter Carriers and the U.S. Postal Service 2011 – 2016, Article 8.5.

29 DRIVE is a management process used by the U.S. Postal Service Strategic Management Office to improve business strategy development and execution.

Recommendations

We recommend management establish and implement a plan to recruit and retain employees at Iowa City Post Office; implement procedures to ensure all routes are structured within the 8-hour assignments to reduce overtime; implement procedures to ensure Iowa City Post Office management pivots available routes; train facility management on techniques to effectively manage overtime with existing staff to reduce overtime grievances.

We recommend the district manager, Hawkeye District:

1. Establish and implement a plan to recruit and retain employees at the Iowa City Post Office.
2. Implement procedures to ensure all routes are structured within 8-hour assignments to reduce overtime use.
3. Implement procedures to ensure Iowa City Post Office management pivots available routes.
4. Train facility management on techniques to effectively manage overtime with existing staff to reduce overtime grievances.

Management's Comments

Management did not state whether they agreed or disagreed with the finding and recommendations in their comments dated September 8, 2014. In subsequent correspondence dated September 18, 2014, management agreed with the finding and recommendations but noted concerns about our comparisons of overtime rate and grievance payouts to the Postal Service national overtime goal and average grievance payout. They stated the national overtime plan calculation of over 9 percent was limited to retail employees and city carriers, and the national overtime rate calculation of 5.6 percent and average grievance payouts were based on all Postal Service employees. In addition, they stated grievance payout comparisons were overstated because they were not limited to the carrier function. In subsequent correspondence, management stated the percentage of employees working 6 days was overstated and should be 32 percent for career clerks and carriers.

Regarding recommendation 1, management implemented a hiring plan based on 28 successful hiring best practices shared by the Central Plains District. Iowa City utilized newspaper, Internet, billboard, and magazine media to post job openings. The office also used a postmaster full time to assist in hiring activities.

Regarding recommendation 2, management stated that 18 city routes and 19 rural routes were moved from Iowa City Main Post Office to the Coralville Branch on August 9. All city and rural routes are being evaluated and will be adjusted, as appropriate, by September 5, 2014. In subsequent correspondence, management provided a target implementation date of November 1, 2014.

Regarding recommendation 3, management stated they have had a significant turnover in their supervisor positions. They have utilized an operations support specialist to work on site at the facility to coach the new management team and develop effective pivot plans. In subsequent correspondence, management stated the training and creation of pivot plans were completed September 5, 2014.

Regarding recommendation 4, management stated the district will provide unit management with training to improve the management of city carrier overtime and reduce grievance payouts by October 8, 2014. In addition, a labor specialist has been assigned to coach unit management whenever a city carrier overtime grievance is filed. In subsequent correspondence, management provided a target implementation date of October 1, 2014.

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

Evaluation of Management's Comments

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

We reviewed all overtime and grievance payouts at the Iowa City Post Office and did not limit the scope of the audit to the retail employees and city carriers. Specifically, we compared the overtime rate, overtime grievance payouts, and scheduled days off for the Iowa City Post Office to the Postal Service national overtime goals, average grievance payouts, and scheduled days off for all employees because the complaint we received did not identify a specific craft.

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

Appendices

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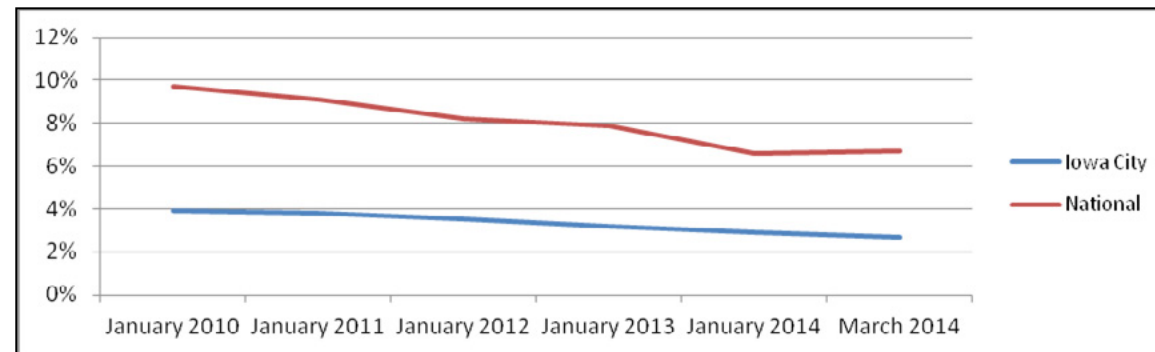
Appendix A: Additional Information

Background

The principal objective of Postal Service compensation policies is to provide compensation that is comparable to compensation paid for similar work in the private sector. Postal Service overtime is a premium eligible employees receive for work performed after 8 paid hours in a day or 40 paid hours in a week. The overtime rate is one and one half times the basic hourly rate. The Fair Labor Standards Act (FLSA) also requires payment of overtime wages to employees who work in excess of 40 hours in an FLSA work week.

Iowa City's economic growth has contributed to it having the 8th lowest unemployment in the nation³⁰ as of March 2014, and the metropolitan area is expected to lead the state in economic growth for 2014. The Federal Reserve uses the term "full employment" in areas where the unemployment rate is between 5.2 and 5.6 percent. Iowa City has experienced "full employment" for an extended period, which has created challenges for management in hiring and retaining employees. In 2010, Iowa City was one of only two cities nationwide with an unemployment rate below 5 percent. Figure 2 shows the Iowa City and the U.S. national average unemployment rates for 2010 through 2014.

Figure 2. Iowa City and U.S. National Unemployment Rates



Source: U.S. Bureau of Labor Statistics.

In April 2013, the Postal Service created the CCA position to replace the TE position.³¹ CCA employees are noncareer employees the Postal Service hires for 360-day terms. After a break in service of 5 days, the CCAs can be hired for additional 360-day terms. CCAs receive fewer benefits than career carriers. Based on seniority, CCAs may bid for vacant routes within their installation. Successful applicants are converted to regular career status employees.

Facility complement varies from month to month and is generally based on the facility's workload. [Table 3](#) shows the total number of employees at the Iowa City Post Office, categorized by function, for FYs 2010 through 2013.

³⁰ According to the U.S. Bureau of Labor Statistics, as of March 2014, the Iowa City metropolitan area's unemployment rate was 3.4 percent.

³¹ CCAs shall not exceed 15 percent of the total number of full-time, career city carriers in that district. In addition, the Postal Service may hire an additional 8,000 CCAs; however, the additional hires shall not exceed 8 percent of the total number of full time career city carriers in that district.

Table 3. Number of Employees at the Iowa City Post Office

Function	FY 2010	FY 2011	FY 2012	FY 2013
RURAL DELIVERY	15	20	29	31
DELIVERY SERVICES	59	51	46	47
VEHICLE SERVICES	1	1	1	1
3B PLANT & EQUIPMENT	2	2	2	2
4 CUSTOMER SERVICES	31	31	29	24
67 NON-WORK/OWCP ³²	0	0	0	0
7 MARKETING/COMMUNICATIONS	1	1	1	1
8A POSTMASTER/SUPERVISOR	2	2	2	2
RURAL SUB/RCA/RCR/AUX/VAC ³³	9	15	20	14
POSTAL SUPPORT EMPLOYEES	0	0	2	2
CCA	0	0	0	9
TRANSITIONAL	3	6	11	3
Total	122	128	143	135

Source: EDW.

Hawkeye District management has tools they are required to use to control and monitor overtime. For example, DOIS is used to manage delivery operations and provides workload assessment to project carrier office and street times based on mail volumes. Other tools available to monitor and control overtime are automated alerts, time and attendance system, and staffing analysis reports.

Objective, Scope, and Methodology

Our objective was to evaluate the overtime use at the Iowa City Post Office. To accomplish this objective, we:

- Reviewed overtime data for the Iowa City Post Office for FYs 2010 through 2014.
- Evaluated the hiring process.
- Obtained and reviewed workload information to determine need for overtime.
- Evaluated complement levels.
- Obtained and reviewed unemployment rates.

³² Office of Workers' Compensation Program.

³³ Rural Substitute, RCA, Rural Carrier Relief, Auxiliary and Vacant.

- Obtained and evaluated the guidelines for carrier positions.
- Interviewed headquarters, district, and unit management to determine their processes for monitoring overtime, use of DOIS data, performance of route inspections, and pivoting.
- Interviewed employees and union officials to evaluate the use of overtime.

We conducted this review from March through September 2014, in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*. We discussed our observations and conclusions with management on August 5, 2014, and included their comments where appropriate.

We assessed the reliability of data from the EDW system and other electronic Postal Service data by confirming our analysis and results with management and other data sources. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Overtime Use During Fiscal Years 2011 and 2012</i>	HR-AR-13-002	7/5/2013	\$6.7

Report Results:

Overtime hours accounted for 7.4 and 7.8 percent of total workhours in FYs 2011 and 2012, respectively — well above the Postal Service’s target rate of 5 percent. At the locations we visited, we determined the Postal Service incurred significant overtime workhours primarily because the workforce was not aligned with workload; there was inadequate supervisory oversight; mail arrived late at the delivery units; and a union agreement was negotiated at the local level. In addition, although the time and attendance collection system did not send automatic alerts, Postal Service managers and supervisors at the facilities we visited used the time and attendance collection system reports to monitor workhours, overtime hours, and unauthorized overtime use. We identified 65,553 and 122,765 standby hours in FYs 2011 and 2012, respectively, for three of the four districts we visited, at a cost to the Postal Service of \$7,513,674. We estimated that 90 percent of these costs are associated with late trips for \$6,762,306. Management agreed with all of the recommendations but disagreed with the monetary impact.

<i>Unauthorized Overtime Usage in Field Operations</i>	HR-AR-12-003	3/30/2012	\$717.5
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Report Results:

The Postal Service has established procedures to assist supervisors with monitoring and controlling unauthorized overtime. However, managers and supervisors did not always follow the prescribed procedures. Specifically, they did not always complete and maintain Postal Service (PS) Form 1017-B, Unauthorized Overtime Record, for employees who incurred unauthorized overtime; provide carriers with feedback when they submitted PS Form 3996, Carrier – Auxiliary Control, to request assistance or overtime; update Time and Attendance Collection System to reflect authorized overtime; and control employees’ access to time cards. As a result, we identified 7.5 million unauthorized overtime workhours in FY 2010 and 10.6 million in FY 2011, at a combined cost of \$717.5 million. Management agreed with the findings, recommendations, and monetary impact.

Appendix B: Management's Comments

DISTRICT MANAGER
HAWKEYE DISTRICT



September 8, 2014

LORI LAU DILLARD
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Overtime at the Iowa City Post Office
Report Number HR-MA-14

Summary:

During the time period reviewed, FY 13, the overtime rate at the Iowa City Post Office was above the national goal but difference was not as significant as expressed in the OIG report. The national plan was over 9% for F2 and F4. The 5.6% rate stated in the OIG report was the national goal for the entire USPS. In addition, the report stated that overtime grievance payouts in Iowa City were 179% higher than the national average. This variance was overstated since the OIG's average payout was based on all USPS employees. The comparison should be the grievance payout rate for city carriers nationwide versus the rate in Iowa City.

As stated in the OIG report, the economic development in the Iowa City area has resulted in an extended period of very low unemployment, causing difficulty in the USPS hiring and retaining employees. This shortage in carriers and management personnel was the root cause of the high overtime usage.

Recommendation:

1 – Establish and implement a plan to recruit and retain employees at the Iowa City Post Office.

Response: Iowa City has been constantly attempting to hire City Carrier Associates (CCAs) and Rural Carrier Associates (RCAs). The Western Area shared a Central Plains District "Best Practice" of 28 items to use to hire. Iowa City used these items to include: newspaper advertising, postings of Help Wanted/Hiring signs, online postings via USPS.com, EDDM mailings, Craig's List. In addition, Hawkeye District advertised in the regional magazine Iowa Farmer, utilized a Postmaster to assist full time in hiring activities for Iowa City, and advertised on a billboard located on the busy I-380 between Iowa City and Cedar Rapids. Efforts have been effective for CCA hiring, but the office continues to struggle to staff with the desired number of RCAs.

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DES MOINES, IA 50324-4400
515-251-2106
FAX: 515-251-2050

2 – Implement procedures to ensure all routes are structured within 8 hour assignments to reduce overtime use.

Response: With the move of 18 city routes and 19 rural routes from Iowa City Main Post Office to the Coralville Branch August 9th, all routes are being evaluated and will then be adjusted as appropriate. Rural route evaluations were made effective August 9th. City routes are all being walked by September 5th and appropriate minor adjustments will be made this fall based on the results.

3 – Implement procedures to ensure Iowa City Post Office management pivots available routes.

Response: The Iowa City Post Office has had significant turnover in their EAS positions. Three of the four Supervisors, Customer Service have been promoted in the last six months. The other Supervisor transferred from the Des Moines NDC and is also still learning customer service operations. The Hawkeye District has been utilizing an Operations Support Specialist to work on site and coach the new management team and develop effective pivot plans.

4 – Train facility management on techniques to effectively manage overtime with existing staff to reduce overtime grievances.

Response: Within 30 days, Hawkeye District's Manager, Human Resources will provide to the Iowa City management team the Headquarters' training that was designed to improve management of city carrier overtime and reduce grievance payouts. In addition, a Labor Specialist has been assigned to coach the Iowa City team whenever a city carrier overtime grievance is filed.



William J. Herrmann

cc: Sally K. Haring,
Manager, Corporate Audit and Response Management, U.S. Postal Service



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Contact us via our [Hotline](#) and [FOIA](#) forms, follow us on social networks, or call our Hotline at 1-888-877-7644 to report fraud, waste or abuse. Stay informed.

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