



**OFFICE OF  
INSPECTOR GENERAL**  
UNITED STATES POSTAL SERVICE

**Management  
of Maintenance  
Employees'  
Sick Leave  
in the  
Mid-America  
District**

**Audit Report**

Report Number  
HR-AR-16-006

September 29, 2016





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

### Highlights

***Maintenance supervisors at the P&DC and NDC did not effectively manage maintenance employees' sick leave use. Specifically, during FYs 2013 through 2015, 159 maintenance employees at both facilities used excessive sick leave totaling 16,149 hours.***

### Background

U.S. Postal Service supervisors who have evidence that an employee is abusing sick leave may place the employee on restricted sick leave or use the deems documentation desirable option (deems desirable). When using restricted sick leave, supervisors must provide written notice to employees that their names have been added to the restricted sick leave list and, until further notice, the employee must support all requests for sick leave with medical documentation or other acceptable proof of sickness.

The employee must also provide medical documentation if their supervisor chooses the deems desirable option; however, the supervisor is not required to notify the employee that they have selected this option. The supervisor makes this selection in the Postal Service's Human Resources automated database — Enterprise Resource Management System (eRMS), which prompts employee notification that documentation is required for their unscheduled sick leave.

This report responds to a request from Congressman Emanuel Cleaver II of the 5<sup>th</sup> District of MO to review an allegation that management at the Kansas City Processing and Distribution Center (P&DC) used the deems desirable option for a maintenance employee for no apparent reason. We also reviewed the sick leave for maintenance employees at the Kansas City Network Distribution Center (NDC) because it had

a high percentage of maintenance employees (18 percent) for whom management required documentation for all leave requests in fiscal year (FY) 2015.

Our objective was to assess the management of maintenance employees' sick leave at the Kansas City P&DC and NDC in the Mid-America District.

### What The OIG Found

Maintenance supervisors at the P&DC and NDC did not effectively manage maintenance employees' sick leave use. Specifically, during FYs 2013 through 2015, 159 maintenance employees at both facilities used excessive sick leave totaling 16,149 hours. The Postal Service does not quantify excessive or abusive sick leave; therefore, we computed excessive sick leave as 25 percent or more above the average sick leave hours.

To manage sick leave, supervisors used the deems desirable option instead of restricted sick leave for 90 of the 159 maintenance employees (57 percent). They did not use restricted sick leave or select the deems desirable option for the remaining 69 employees (43 percent).

This occurred because supervisors were unaware of the purpose of restricted sick leave and had different views of what represented abusive sick leave. In addition, supervisors at the P&DC stated



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***Additionally, management improperly chose the deems desirable option for 95 of 166 maintenance employees (57 percent).***

they arbitrarily selected the deems desirable option because they had limited time to review employee attendance.

Management may choose the deems desirable option; however, it does not provide the same level of fairness, transparency, and corrective measures as restricted sick leave. Restricted sick leave includes employee reviews and discussions, notification of placement on restricted sick leave, and a 90-day review with removal, if warranted.

Without adequately managing sick leave use, management cannot identify possible abuse or implement corrective action to reduce it. As a result, management incurred unnecessary sick leave costs of \$335,486 for 11,305 excessive sick leave hours during FYs 2014 and 2015. In addition, the Postal Service could save at least \$157,915 by reducing unnecessary sick leave for FY 2016.

Additionally, management improperly chose the deems desirable option for 95 of 166 maintenance employees (57 percent) because these employees' unscheduled leave usage in the prior 90-day period showed they did not take any leave or took an average of 2 days or less.

Management stated they found a pattern of unscheduled leave in conjunction with scheduled days off, holidays, and sporting events and anticipated these employees would request

unscheduled leave for the deems desirable option dates. We found, however, that none of these employees took leave for the specified deems desirable option dates or showed a pattern of leave abuse for the 90-day period preceding the designated deems desirable option dates.

This occurred because the current deems desirable policy (unlike the restricted sick leave policy) does not require supervisors to review employee leave usage in the prior 90-day period or notify employees placed on the deems desirable option.

Using the deems desirable option for employees who have not taken leave or do not have a history of abusing leave may lower employee morale, which could affect productivity and operations and lead to increased employee grievances and associated costs.

### **What The OIG Recommended**

We recommended the district manager, Mid-America District, implement a consistent process for supervisors to effectively reduce excessive sick leave use (including the use of restricted sick leave), develop a standard operating procedure providing guidance for when and how to use the deems documentation desirable option in eRMS, and notifying employees regarding the selection of the option.

# Transmittal Letter

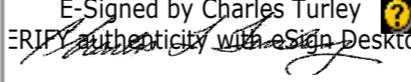


OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 29, 2016

**MEMORANDUM FOR:** GAIL M. HENDRIX  
DISTRICT MANAGER, MID-AMERICA DISTRICT

E-Signed by Charles Turley  
VERIFY authenticity with eSign Desktop



**FROM:** Charles L. Turley  
Deputy Assistant Inspector General  
for Supply Management and Human Resources

**SUBJECT:** Audit Report – Management of Maintenance Employees’  
Sick Leave in the Mid-America District  
(Report Number HR-AR-16-006)

This report presents the results of our audit of the U.S. Postal Service’s Management of Maintenance Employees’ Sick Leave in the Mid-America District (Project Number 16RG005HR000).

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 audit of the U.S. Postal Service's management of maintenance employees' sick leave and use of the deems documentation desirable (deems desirable) option during fiscal years (FY) 2013 through 2015, at the Kansas City, MO, Processing and Distribution Center (P&DC) and Network Distribution Center (NDC) in the Mid-America District (Project Number 16RG005HR000). The report responds to a request from Congressman Emanuel Cleaver II of the 5<sup>th</sup> District of MO to review an allegation about a maintenance employee for whom management used the deems desirable option for no apparent reason. This option requires medical documentation for sick or unscheduled leave.

We also reviewed sick leave for maintenance employees at the Kansas City NDC because it had a high percentage of maintenance employees (18 percent) for whom management required documentation for all leave requests in FY 2015. Our objective was to assess the management of maintenance employees' sick leave at the Kansas City P&DC and NDC. See [Appendix A](#) for additional information about this audit.

Supervisors who have evidence that an employee is abusing sick leave privileges may place the employee on restricted sick leave or use the deems desirable option. When using restricted sick leave, supervisors must provide written notice to employees when their names are added to the restricted sick leave list and, until further notice, the employee must support all requests for sick leave with medical documentation or other acceptable evidence of sickness.

The employee must also provide medical documentation if the supervisor chooses the deems desirable option. The supervisor makes the selection in (eRMS)<sup>1</sup> but is not required to notify the employee of this selection. Employees who request unscheduled sick leave<sup>2</sup> must notify the appropriate postal authorities of their absence by using the Interactive Voice Response (IVR) system. Once an employee calls using the IVR — which interacts with eRMS — they are notified of the need to provide acceptable documentation.

## Summary

Maintenance supervisors at the P&DC and NDC did not effectively manage maintenance employees' sick leave use. Specifically, during FYs 2013 through 2015, 159 maintenance employees at both facilities used excessive sick leave<sup>3</sup> totaling 16,149 hours. To manage sick leave, supervisors chose the deems desirable option instead of restricted sick leave for 90 of the 159 maintenance employees (57 percent). They did not use restricted sick leave or the deems desirable option for the remaining 69 employees (43 percent).

This occurred because supervisors were unaware of the purpose of restricted sick leave and always chose the deems desirable option in excessive sick leave cases. Supervisors at



- 1 A postal application that records and manages unscheduled leave requests for employees and is designed to identify unscheduled absences and provide managers with attendance information.
- 2 Unscheduled leave is defined as any leave from work that is not requested and approved in advance.
- 3 The Postal Service does not quantify excessive or abusive sick leave; therefore, we quantified excessive sick leave as 25 percent or more above the average sick leave hours.

the P&DC also stated that they arbitrarily chose the deems desirable option because they had limited time to review employee attendance. Management may choose the deems desirable option; however, it does not provide the same level of fairness, transparency, and corrective measures as restricted sick leave.

**Maintenance supervisors at the Kansas City P&DC and NDC did not effectively manage maintenance employees' sick leave use. Specifically, during FYs 2013 through 2015, 159 maintenance employees at both facilities used excessive sick leave totaling 16,149 hours. The 159 employees included 114 at the P&DC and 45 at the NDC.**



Without adequately managing sick leave use, management cannot identify possible abuse or implement corrective actions to reduce it. As a result, management incurred unnecessary sick leave costs of \$335,486 for 11,305 excessive sick leave hours during FYs 2014 and 2015. The Postal Service could also save at least \$157,915 by reducing unnecessary sick leave for FY 2016.

Management also improperly chose the deems desirable option for 95 of 166 maintenance employees (57 percent). These employees' unscheduled leave usage for the 90 days prior to being placed on deems desirable showed they did not take any leave or took an average of 2 days or fewer.

Management stated they selected the option after reviewing an employee's leave use and finding a pattern of unscheduled leave in conjunction with scheduled days off, holidays, and sporting events. However, management anticipated these employees would request unscheduled leave for the

deems desirable dates without reviewing their leave usage in the prior 90-day period. Unlike criterion for restricted sick leave, the Postal Service does not require supervisors to assess the employee's sick leave usage for the prior 90-day period or to notify the employee in advance that they are being placed on the deems desirable option.

### Excessive Sick Leave Use

Maintenance supervisors at the Kansas City P&DC and NDC did not effectively manage maintenance employees' sick leave use. Specifically, during FYs 2013 through 2015, 159<sup>4</sup> maintenance employees at both facilities used excessive sick leave totaling 16,149 hours. The 159 employees included 114 at the P&DC and 45 at the NDC.

To manage sick leave, supervisors used the deems desirable option for 90 maintenance employees (57 percent) who had sick leave use above the average. They did not use restricted sick leave or the deems desirable option for the remaining 69 employees (43 percent). See [Table 1](#).

Individually, maintenance employees with excessive sick leave usage averaged more sick leave hours each fiscal year at each facility, than the average used by maintenance employees for the same periods at the facilities (see [Table 2](#)).

<sup>4</sup> Individual maintenance employees with at least one incident of 25 percent excessive sick leave used during FYs 2013 through 2015.

**Supervisors and managers at the Kansas City P&DC and NDC did not effectively manage excessive sick leave because they were unaware of the purpose of restricted sick leave and stated that they always use the deems desirable option to address abuse of sick leave use.**

**Table 1. Excessive Sick Leave Use, FYs 2013 – 2015**

Location	Excessive Sick Leave Hours	Number of Employees with Excessive Sick Leave Hours	Employees Placed on Deems Desirable	No Leave Management Option Used
P&DC	12,526	114	79	35
NDC	3,623	45	11	34
<b>Total</b>	<b>16,149</b>	<b>159</b>	<b>90</b>	<b>69</b>

Source: Office of Inspector General (OIG) analysis of eRMS data.

**Table 2. Employee Average Sick Leave Use, FYs 2013 – 2015**

Location	Average Sick Leave Hours for Employees with Excessive Sick Leave	All Maintenance Employees' Average Sick Leave Hours
P&DC – FY 2013	103.91	44.51
P&DC – FY 2014	135.99	51.99
P&DC – FY 2015	113.45	48.12
NDC – FY 2013	69.45	32.52
NDC – FY 2014	84.50	41.98
NDC – FY 2015	121.60	55.99

Source: OIG analysis of eRMS data.

Supervisors and managers at the P&DC and NDC did not effectively manage excessive sick leave because they were unaware of the purpose of restricted sick leave and stated that they always use the deems desirable option to address abuse of sick leave use. However, these supervisors had different views of what represents abuse of sick leave and when to use the option in eRMS.

Management has the authority to place employees on restricted sick leave if they have conducted employee reviews and discussions and notified the employee they are being placed on restricted sick leave. Supervisors must also complete a subsequent 90-day review with removal, if warranted.<sup>5</sup> In addition, managers and supervisors may use the deems desirable option to request acceptable documentation when employees take unscheduled sick leave and the supervisor deems documentation desirable for the protection of the interests of the Postal Service.<sup>6</sup> However, the deems desirable option does not provide the same level of fairness, transparency, and corrective measures as restricted sick leave.

Based on a supervisor's quarterly reviews, employees placed on restricted sick leave are notified in advance of their need to provide documentation for any sick leave requests made during a 90-day period. In addition, supervisors must review the next 90-day period of sick leave use to determine if the employee has improved and remove the employee from the restricted sick leave

<sup>5</sup> Employee and Labor Relations Manual (ELM) 40, Section 513.39, page 320, March 2016.

<sup>6</sup> ELM 40, Section 513.361, page 319.

***Supervisors at the Kansas City P&DC also stated that they arbitrarily used the deems desirable option because they had limited time to review employee attendance.***

***Without adequately managing sick leave use, management cannot realistically identify possible abuse or implement corrective action to reduce it.***

list if warranted. In contrast, when using the deems desirable option, supervisors did not conduct quarterly reviews of sick leave use and did not notify the employees in advance to provide documentation for sick leave requests because the Postal Service did not require these actions for deems desirable.

Supervisors at the P&DC also stated that they arbitrarily used the deems desirable option because they had limited time to review employee attendance. For example, five of six supervisors were not in charge of individual employees. Rather, employees on each tour were grouped in a pool and all three tour supervisors collaborated on monitoring, analyzing, and controlling leave use, and reviewing leave records and requests. According to the five supervisors, they were responsible for the attendance of 33 to 70 employees per tour, in addition to handling maintenance operations. These supervisors indicated they preferred to review attendance as a group to heighten awareness of individual leave use. However, supervisors only had 1 day per week to perform a group attendance review, which was not sufficient to oversee the attendance process. Supervisors at the NDC performed individual reviews.

Without adequately managing sick leave use, management cannot realistically identify possible abuse or implement corrective action to reduce it. As a result, management incurred unnecessary sick leave costs of \$335,486 for 11,305 hours of excessive sick leave during FYs 2014 and 2015. Additionally, the Postal Service could save at least \$315,830<sup>7</sup> by reducing unnecessary sick leave for FYs 2016 and 2017, resulting in at least an annual savings of \$157,915.

### **‘Deems Documentation Desirable’ Option**

During FYs 2013 through 2015, management selected the deems desirable option in eRMS for 166 maintenance employees assigned to the Kansas City P&DC and NDC. Management improperly chose the deems desirable option for 95 of them (57 percent) because their unscheduled leave usage in the prior 90 days showed they did not take any leave or took an average of 2 days or less. Management also failed to notify the employees in advance that they were placed on the option. Management selected the deems desirable option for 74 of these employees for a series of dates, which included holidays and special events. For example, management used the deems desirable option for:

- Fifteen maintenance employees for October 29 to October 31, 2014, which corresponded with the city’s professional baseball team’s World Series games; however, none of the employees took leave during this period.
- Twenty-four maintenance employees around the July 4 holiday in FY 2015; however, 19 of them (79 percent) did not take leave during this period.
- Fourteen maintenance employees during a snowstorm from February 28 to March 2, 2015; however, 13 of them (93 percent) did not take leave during this period.

Management chose the deems desirable option for the remaining 21 employees for individual dates; however, none of these employees took unscheduled leave<sup>8</sup> for the dates specified or showed a pattern of leave abuse for the 90-day period preceding the designated deems desirable date options. See [Appendix B](#) for details of employees for whom management used the deems desirable option.

<sup>7</sup> FYs 2016 and 2017 are included in funds that could be used more efficiently by implementing recommended actions.

<sup>8</sup> Unscheduled leave includes all leave types and is not limited to sick leave.

***Supervisors at the Kansas City P&DC and NDC also received instructions from their managers to use the deems desirable option under certain circumstances.***

***Management should review individual employees' leave usage before selecting the deems desirable option.***

Management stated they selected the option after reviewing an employee's leave use and finding a pattern of unscheduled leave in conjunction with scheduled days off, holidays, and sporting events. However, management merely anticipated these employees would request unscheduled leave for the deems desirable option dates without reviewing their leave usage in the prior 90-day period as required for the use of restricted sick leave. The 95 employees did not show a pattern of taking more than an average of 2 days of unscheduled leave during the prior 90-day period and 40 of these employees used no unscheduled leave.

When requesting leave, employees normally complete a Postal Service (PS) Form 3971, Request for or Notification of Absence, and submit it to their supervisor for approval or call using the IVR for unscheduled leave. Neither group of employees had corresponding PS Forms 3971 on file or corresponding activity in eRMS for the designated dates, which indicated they did not take unscheduled leave on those dates.

Supervisors at the P&DC and NDC also received instructions from their managers to use the deems desirable option under certain circumstances. For example, supervisors at the P&DC received an email from the maintenance manager instructing them to apply the deems desirable option to those employees who they anticipate will take unscheduled leave during the 2014 World Series. When asked about the World Series deems desirable option for 15 employees, the maintenance manager stated the supervisor may have misinterpreted the instructions.

In another example, the NDC plant manager emailed instructions to supervisors on January 12, 2016, to invoke the deems desirable option for employees with a history of calling in on Saturdays, holidays near a weekend, or days on which major sporting events occurred (the city's professional football team had a play-off game scheduled for January 16, 2016). The manager stated the instructions were a reminder to review employee leave use for patterns associated with the team's games. The plant manager maintained that if the supervisors found a pattern, they should use the deems desirable option to require documentation for leave taken the day of the play-off game.

Using the deems desirable option for groups of employees was not proper. Management should review individual employees' leave usage before selecting the deems desirable option. Supervisors also did not notify employees in advance of their selection of the deems desirable option because they were not required to do so; however, according to a 2003 pre-arbitration settlement agreement between the Postal Service and the American Postal Workers Union,<sup>9</sup> the supervisor should look at a specific sick leave request when it is made (or shortly thereafter) rather than use the deems desirable option prospectively for all potential sick leave requests.

Using the deems desirable option for employees who have not taken leave or do not have a history of abusing leave may lower employee morale, which could affect productivity and operations and lead to increased employee grievances and their associated costs.

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<sup>9</sup> *American Postal Workers Union vs USPS pre-arbitration settlement agreement, Case Number Q98C-4QC-01005505, page 2, paragraph 6.*

# Recommendations

We recommend the district manager, Mid-America District:

1. Implement a consistent process for supervisors to effectively reduce excessive sick leave use to include restricted sick leave.
2. Develop a standard operating procedure providing guidance for when and how to use the deems documentation desirable option in the Enterprise Resource Management System and notifying employees regarding the selection of the option.

## Management's Comments

In their written response, management disagreed with the findings, recommendations, and monetary impact. However, in a subsequent meeting, management provided alternative corrective actions for these recommendations. The discussion below summarizes their written response and the result of the follow-up meeting.

### Written Response

Regarding recommendation 1, management indicated they use the deems desirable option to notify employees of the requirement to provide supporting documentation for absences. They stated the deems desirable option has effectively deterred employees because when notified that documentation is required the employees report to work as scheduled. Management also stated the district Human Resources manager will assist with the use of restricted sick leave.

Regarding recommendation 2, management expressed concern with developing standard operating procedures that they believe Postal Service Headquarters managers have already developed.

Management also does not believe the OIG's estimated monetary impact cost reduction accounted for employees who called into eRMS while on the deems desirable option and later reported to work. In addition, management believes the OIG limited the sample size, therefore, the cost reduction was statistically invalid.

### Subsequent Meeting

In a subsequent discussion with the Western Area vice president on their disagreement with the recommendations, management proposed alternative actions.

Regarding both recommendations, Mid-America District managers will provide refresher training to managers and supervisors at the pay locations identified in the report. This will ensure that each manager and supervisor understands current policy and processes with regard to managing employee time and attendance. The training will review applicable ELM/handbook provisions and their contractual requirements under the collective bargaining agreements. It is anticipated that participants will understand their rights and responsibilities when administering the Deems Desirable and Restricted Sick Leave programs. Management will coordinate dates for training with the Mid-America District within the next 60 days.

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

## Evaluation of Management's Comments

The OIG considers management's alternative actions responsive to the recommendations in this report.

In regard to management's belief that our monetary impact did not take into account employees who called into eRMS while on deems desirable and subsequently reported to duty, our calculation of the 11,305 excessive sick leave hours during FYs 2014 and 2015 only included employees who took sick leave. In addition, these hours reflect maintenance employees' total sick leave hours in excess of average sick leave hours by facility and fiscal year and do not include any paid workhours.

In regard to management's assertion that our cost was statistically invalid due to limiting our sampling size to 14 employees, we did not limit our sample to this number. We reviewed sick leave records for all 212 maintenance employees at the P&DC and for 77 maintenance employees at the NDC, for a total of 289 employees. We excluded 102 maintenance employees with P&DC pay locations in eRMS who were assigned to other facilities and supervisors outside of the P&DC.

We limited the scope of our audit to maintenance employees due to the specific complaint received from a maintenance employee and did not include the entire staff of craft and management employees. The cost reduction is not statistically invalid since we did not choose a random sample. Additionally, to determine the cost associated with excessive sick leave, we obtained maintenance employee labor rates from the Enterprise Data Warehouse (EDW) and applied these rates by position to the number of excessive sick leave hours.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions for recommendations 1 and 2 are completed. The 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

Supervisors or installation heads with evidence that an employee is abusing sick leave may place the employee on restricted sick leave. Supervisors provide written notice to employees that their names have been added to the restricted sick leave list and, until further notice, the employee must support all requests for sick leave with medical documentation or other acceptable evidence of sickness. Supervisors review the employee's PS Forms 3972, Absence Analysis, each quarter. If there has been a substantial decrease in absences charged to sickness, the employee's name is removed from the restricted sick leave list and they are notified in writing of the removal.

Managers and supervisors may also use the deems desirable option to manage sick leave. Employees are required to provide medical documentation; however, they are not notified in advance that they are being placed on deems desirable or that they need to provide medical documentation. Supervisors select the deems desirable option in eRMS. Employees who take unscheduled leave must notify appropriate postal authorities of their absence by using the IVR system. Once an employee calls using the IVR, which interacts with eRMS — the employee is directed to provide acceptable documentation for the leave dates selected.

Attendance control duties include monitoring employees' leave activity, generating PS Forms 3972, and identifying corrective actions to be taken. Management is responsible for discussing attendance records with individual employees when necessary, maintaining and reviewing proper supporting documentation for attendance, and placing employees on restricted sick leave or using the deems desirable option if supervisors have evidence indicating the employee is abusing sick leave.

### Objective, Scope, and Methodology

Our objective was to assess the management of maintenance employees' sick leave at the Kansas City P&DC and NDC in the Mid-America District. To accomplish our objective we:

- Interviewed appropriate Postal Service personnel to understand their related roles and responsibilities.
- Analyzed eRMS data for FYs 2013 through 2015 to identify trends in sick leave use.
- Conducted site visits at two judgmentally selected facilities (the Kansas City P&DC and NDC) to understand the processes and procedures for managing sick leave.
- Reviewed maintenance employees' PS Forms 3971 and 3972 and other available supporting documentation to review their sick leave requests.
- Reviewed 34 supervisors' training records from the EDW — including records of supervisors at the two sites visited — to determine whether they received applicable time and attendance training.
- Reviewed Postal Service policies and procedures relating to sick leave use and the Labor Relations leave management policy and employee disciplinary actions for excessive sick leave and return to work procedures.

We conducted this performance audit from November 2015 through September 2016, 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 August 16, 2016, and included their comments where appropriate.

We assessed the reliability of eRMS data by validating unscheduled leave occurrence data against the Time and Attendance Collection System's<sup>10</sup> unscheduled leave clock ring occurrence data obtained from the EDW and consulted with the eRMS administrator. 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>Unscheduled Leave in the Chicago District</i>	<a href="#">HR-AR-15-006</a>	5/21/2015	\$6.5
<p><b>Report Results:</b> Our report determined that district management did not effectively oversee unscheduled leave, which led to employees using excessive unscheduled leave during FY 2014. We identified 635 of 7,804 employees (8 percent) who used 344,121 of 737,787 unscheduled leave hours (47 percent). Reducing the 635 employees' average leave use of 542 hours to the remaining employees' average leave use of 55 hours would eliminate about 309,000 of the 737,787 total unscheduled hours (42 percent). Management agreed with our recommendations to provide eRMS and leave control training to managers and supervisors; develop and implement consistent guidelines to ensure supervisors use eRMS to effectively manage unscheduled leave; establish an oversight process for completing employee attendance reviews; require PS forms and other required supporting documentation to be completed, timely reviewed, and maintained; and establish an oversight process to ensure Labor Relations personnel perform leave management reviews, as required.</p>			
<i>Unscheduled Leave Activity in the Los Angeles District</i>	<a href="#">HR-MA-14-004</a>	2/6/2014	None
<p><b>Report Results:</b> Our report determined the Los Angeles District had one of the highest unscheduled leave percentages nationwide in FYs 2011, 2012, and 2013. During this period, unscheduled leave percentages ranged from 11.1 to 13.2 percent. Other districts with similar-sized workforces had significantly lower unscheduled leave percentages during this period. Our report found supervisors did not always monitor unscheduled leave activity, properly document and maintain attendance records, and conduct attendance reviews. In addition, they erroneously added new leave entries during reviews. Management agreed with our recommendation to develop and implement a clearly defined process for monitoring leave activity, ensure supervisors review existing leave entries, and implement control measures to ensure proper documentation and review of leave activity at the highest risk offices.</p>			

<sup>10</sup> An automated program used to collect time and attendance data.

## Appendix B: Deems Desirable Option Based on Dates

Table 3 shows that 97 Kansas City P&DC and NDC maintenance employees for whom management used the deems desirable option did not use leave on 17 date ranges corresponding with activities such as weather, sporting events, and holidays.

**Table 3: Deems Desirable Option Based on Dates**

	Fiscal Year	Deems Desirable Dates	Number of Employees Placed on Deems Desirable	Event	Employees Who Did Not Use Leave
P&DC					
1	FY 2013	3/23/13 - 3/26/13	4	Snow Expected	2
2	FY 2014	1/4/14-1/5/14	3	Weekend After New Years	2
3	FY 2014	2/4/14 - 2/6/14	4	Snow Expected	3
4	FY 2014	3/2/14 - 3/4/14	9	Baseball Game	5
5	FY 2015	10/29/14 - 10/31/14	15	World Series	15
6	FY 2015	2/28/15 - 3/2/15	14	Snow Expected	13
7	FY 2015	3/1/15 – 3/1/15	3	Snow Expected	3
8	FY 2015	6/29/15 - 7/9/15	8	July 4 Holiday	5
9	FY 2015	7/4/15 - 7/4/25	8	July 4 Holiday	7
10	FY 2015	7/7/15 - 7/9/15	8	July 4 Holiday	7
11	FY 2015	7/21/15 - 8/20/15	10	Unknown	9
12	FY 2015	9/7/15 - 9/7/15	5	Labor Day Holiday	5
13	FY 2015	9/8/15 - 9/8/15	4	Labor Day Holiday	4
14	FY 2016	10/17/15 - 10/17/15	6	Baseball Play-Off Games	5
NDC					
15	FY 2013	12/22/12 - 12/26/12	7	Christmas Holiday	7
16	FY 2013	12/23/12 - 12/26/12	3	Christmas Holiday	2
17	FY 2014	12/9/14 - 12/12/14	3	Unknown	3
<b>Total</b>			<b>114</b>		<b>97</b>

Source: OIG analysis of eRMS data.

## Appendix C: Management's Comments

Mid-America District  
Kansas City MO Senior Plant Manager



August 31, 2016

Lori Lau Dillard, director, Audit Operations  
United States Postal Service  
Office of the Inspector General

Ref: Management of Maintenance Employees' Sick Leave in the Mid-America District (Project Number 16RG005HR000, dated August 17, 2016)

This letter is in response to your inquiry regarding Management of Maintenance Sick Leave in Mid-America District dated August 17, 2016.

Upon review of the Audit Team recommendations, the following responses are submitted.

Monetary Impact – Mid-America District disagrees with the monetary impact as stated in the audit report. Although reduction of sick leave certainly reduces costs, the sum as indicated (\$651K) does not take into account employees who called into the Employee Resource Management System when on Deems Desirable, and subsequently reported to duty after being notified they would be required to present documentation of their absence. There is no record of employees calling in when they report in this situation, as no 3971 is generated, and there are paid work hours. Further, due to the limited sampling size (approximately 14 employees), the cost is statistically invalid with the use of sick leave at the facility. Kansas City Processing and Distribution employs over 1600 management and craft employees, of which 296 are Maintenance employees, all of whom can be required to provide documentation with the Deems Desirable function, not only Maintenance employees.

Recommendation #1 – Implement a consistent process for supervisors to effectively reduce excessing sick leave use to include restricted sick leave.

Response #1 – Disagree. The Deems Desirable function is used to notify employees upon calling the eRMS system for an unscheduled absence that documentation is required for their absence, therefore employees are notified in advance of the documentation requirement since they are required to call in prior to their scheduled reporting time. The use of Deems Desirable has effectively deterred employees who upon calling in, who were then notified of the documentation requirement, did report as scheduled. District Human Resources will assist management with the use of Restricted Sick Leave when appropriate.

Recommendation #2 – Disagree. Develop a standard operating procedure providing guidance for when and how to use the deems desirable option in the eRMS System and notifying employees regarding the selection of the option.

Response #2 – Mid-America District does not create standard operating procedures that have already been developed by Headquarters. Headquarters has provided training on the use of Deems Desirable function in eRMS to EAS employees across the Nation, per the Headquarters Attendance Control training on page 3 (attached):

5. Documentation may be requested for any absence, circumstances permitting.

When reviewing the employee's Form 3972, supervisors may notice indicators of possible abuse. These "abuse caution signs" can include unscheduled leave requested on:

- The first workday following a pay day
- Before or after a scheduled day off
- On the same calendar day of the week
- Before or after a holiday
- When workload is heaviest
- When overtime is required
- During inclement weather
- On a day of public events and/or ball games

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- On a day the working spouse has the day off or vacation
- When previously refused a day off
- When an undesirable job is to be performed
- When scheduled to work weekends or holidays
- Excessive intermittent absences of short duration
- Any time there is insufficient justification
- The beginning of hunting season

Please do not hesitate to contact me if you need further information.

Thank you,



Russell J Floyd  
Senior Plant Manager  
Mid-America District

cc: Gail M. Hendrix, District Manager  
Paul Greenblatt, District Manager Maintenance  
Vicki Wilkins, District Manager Human Resources  
Tim Felton, District Manager Labor Relations  
Sally K. Haring, Manager, Corporate Audit and Response Management, U.S. Postal Service



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