



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

**Non-Career  
Employee  
Background  
Screening  
in the Los  
Angeles  
District**

**Audit Report**

Report Number  
HR-AR-17-004

March 3, 2017





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

### Highlights

***Los Angeles District  
HR officials did not  
consistently comply with  
processes to ensure  
individuals they hired were  
suitable to maintain the  
security of the mail and  
uphold the public trust.***

### Background

The U.S. Postal Service's national screening process for external hiring of non-career employees involves four key groups: the Human Resources Shared Services Center (HRSSC), a Postal Service contractor, district Human Resources (HR) officials, and the Office of Personnel Management (OPM).

The process is initiated when the HRSSC receives an employment application. The HRSSC then creates an applicant electronic file and requests the contractor to initiate applicable checks (county criminal record, motor vehicle, and drug testing). The HRSSC receives the results and the district HR official reviews to assist in making hiring decisions.

If screening results identify a driving infraction, district HR officials must evaluate against a list of automatic disqualifiers and criteria. District HR officials cannot automatically disqualify applicants with criminal convictions in their past. Special consideration, such as the applicants' age at the time of conviction, nature of the offense, length of time elapsed since offense, etc., must be factored in determining the applicant's suitability for employment.

After the applicant has passed the initial screening and receives a job offer, OPM conducts a comprehensive background investigation and district HR officials review and verify the results. If the applicant accepts the offer, a performance

evaluation is conducted at 90 days of employment and maintained in the electronic official personnel file.

During fiscal year (FY) 2015 through FY 2016, Quarter 3, the Los Angeles (LA) district was one of the Postal Service's top districts in hiring new employees, with over 6,000 non-career employees. Also, the LA District's annual turnover rate of 53 percent for non-career employees was higher than the national performance assessment turnover goal of 35 percent, resulting in increased hiring.

Our objective was to assess the Postal Service's employee background screening process for non-career employees to determine whether it ensured that individuals selected for employment in the LA District were suitable to maintain the security of the mail and uphold the public trust.

This is the first in a series of audits that will assess Postal Service employee background screening.

### What the OIG Found

Los Angeles District HR officials did not consistently comply with processes to ensure individuals they hired were suitable to maintain the security of the mail and uphold the public trust.

We evaluated a statistically selected sample of 183 applicants of non-career positions. LA district HR officials could not provide 55 percent (101 of the 183) of the pre-employment



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files requested, and many of those that were received were incomplete.

Of the 183 applicants, 33 were hired in the LA District and we found:

- Eleven of 33 (33 percent) had automatic disqualifying driving eligibility factors, such as one or more license suspensions within 3-5 years and one or more traffic violations in the past 12 months, and
- Seven of 33 (21 percent) had disqualifying criminal suitability factors without any documented justification as to why the hire was still appropriate.

In addition, of the eligible OPM investigations and 90-day performance evaluations reviewed, we found:

- Three of 20 (15 percent) of the OPM investigation results were not verified; and
- Thirteen of 13 (100 percent) 90-day performance evaluation reviews were not maintained in the electronic official personnel file, as required.

These conditions occurred due to underlying pressure to meet operational demands coupled with high turnover rates and high applicant volume in the district. Another contributing factor was temporary use of other employees in the hiring process without adequate training, formal documented process guidance, enhanced oversight, or quality reviews.

When background screening processes are not followed, there is an increased risk to mail security, customers, employees, assets and upholding the public trust.

### What the OIG Recommended

We recommended management develop written guidance for district HR officials to use as a reference for the background screening process, establish a process to conduct and document periodic quality reviews of pre-employment files, ensure that employee evaluations and probationary reports are completed and forwarded to officials for review and action, and reevaluate the suitability and eligibility of employees with automatic motor vehicle infractions or disqualifying criminal suitability factors who LA District officials screened in FYs 2015-2016 but for whom there is no documented justification.

# Transmittal Letter

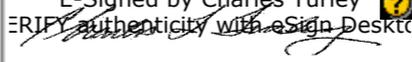


OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

March 3, 2017

**MEMORANDUM FOR:** SIMON STOREY  
ACTING VICE PRESIDENT, EMPLOYEE RESOURCE  
MANAGEMENT

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 – Non-Career Employee Background Screening  
in the Los Angeles District (Report Number HR-AR-17-004)

This report presents the results of our audit of the U.S. Postal Service's Non-Career Employee Background Screening in the Los Angeles District (Project Number 16SMG006HR000).

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, at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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# Findings

***During FY 2015 through FY 2016, Q3, the LA District was one of the Postal Service's top districts for hiring new employees, with over 6,000 non-career employees.***

***These conditions occurred due to underlying pressure to meet operational demands coupled with non-career high turnover rates and applicant volume in the district.***

## Introduction

This report presents the results of our audit of the U.S. Postal Service's Non-Career Employee Background Screening in the Los Angeles District (Project Number 16SMG006HR000). The self-initiated report responds to risks and concerns the U.S. Postal Service Office of Inspector General's (OIG) Office of Audit and Office of Investigations identified regarding the hiring of employees with questionable backgrounds or prior arrests for charges such as burglary, theft, larceny, embezzlement, and robbery. Our objective was to assess the Postal Service's employee background screening process for non-career employees to determine whether it was sufficient to ensure individuals selected for employment in the Los Angeles (LA) District were suitable to maintain the security of the mail and uphold the public trust. This is the first in a series of reports that will address Postal Service employee background screening.

During fiscal year (FY) 2015 through FY 2016, Quarter (Q) 3, the LA District was one of the Postal Service's top districts for hiring new employees, with over 6,000 non-career employees. In addition, the LA District's annual turnover rate of 53 percent for non-career employees was higher than the national performance assessment turnover goal of 35 percent, resulting in increased hiring activities.

The Postal Service's national screening process for hiring non-career employees involve four key groups: the Human Resources Shared Services Center (HRSSC), a Postal Service contractor, district Human Resources (HR) officials, and the Office of Personnel Management (OPM).

Once the HRSSC receives an employment application, it creates an applicant electronic file and requests the contractor to initiate applicable checks (county criminal record, motor vehicle, and drug testing). The contractor provides results to the HRSSC and in turn, HRSSC makes available to district HR officials to assess applicant employability and make a hiring decision.

If screening results identify a driving infraction, district HR officials must evaluate a list of automatic disqualifiers based on the infraction and the numbers of years that past since the infraction. HR officials cannot automatically disqualify applicants with criminal convictions in their past. Officials must give special consideration such as the applicants' age at the time of conviction; nature of the offense; length of time elapsed since offense; etc. in determining the applicant's suitability for employment. Once an applicant passes the initial screening process and receives a job offer, the OPM conducts a comprehensive background investigation and district HR officials verify the results.

## Summary

Los Angeles District HR officials did not consistently comply with processes to ensure individuals who were hired were suitable to maintain the security of the mail and uphold the public trust. In a statistical sample of 183 applicants for non-career positions, 33 were hired in the LA District and, as a result:

- LA District HR officials hired eleven of the 33 applicants (33 percent) who had automatic disqualifiers for driving infractions.
- LA district HR officials did not document their justification for hiring seven applicants (21 percent) who had criminal convictions.
- LA district HR officials did not verify the results of OPM investigations and did not conduct 90-day performance evaluation reviews.

***When reviewing paperwork of applicants for positions that require driving, HR officials do not have discretion if the applicants have committed any disqualifying infractions.***

- LA district HR officials could not provide pre-employment files requested for 101 of the 183 applicants (55 percent). Of the 82 files we received, records were not maintained in compliance with maintenance and retention requirements.
- OPM investigation results were not maintained in 29 percent (9 of 31) of the pre-employment files.

These conditions occurred due to underlying pressure to meet operational demands coupled with non-career high turnover rates and applicant volume in the district. The issues were exacerbated by the fact that, during the peak season, employees from other departments were used to help in the hiring process, but they lacked adequate training, formal documented process guidance, enhanced oversight, and quality reviews.

## Screening Processes

Based on our review of those individuals hired in the LA District, the eligibility and suitability evaluations performed to assess applicants' motor vehicle records and criminal history did not comply with hiring and document retention policies.

### Motor Vehicle Eligibility Factors

Postal Service policy contains a list of driving infractions that are automatic disqualifiers for employment. When reviewing paperwork of applicants for positions that require driving, HR officials do not have discretion if the applicants have committed any of these disqualifying infractions. See Table 1 for a list of disqualifying infractions.

Eleven of 33 new hires (33 percent) in the LA District had automatic disqualifying eligibility factors. Ten of the 11 were city carrier assistants and one was a postal support employee auto technician. The automatic disqualifying eligibility factors were:

- Nine of the 11 hires (82 percent) had one or more license suspensions within 3 to 5 years; and
- Two of the 11 hires (18 percent) had one or more traffic violations in the past 12 months.

**Table 1. Specific Disqualifying Violations**

Type of Violation	In the past 3 years	In the past 5 years
Reckless driving or other similar offenses such as careless driving.	One or more	Two or more
Any driving offense involving the use of drugs, alcohol, or controlled substances.	Any conviction	Any conviction
All other traffic offenses (excluding parking violations)	Three or more (or more than one in last 12 months)	Five or more
At-fault accidents	Two or more or any at-fault accident resulting in a fatality	Two or more or any at-fault accident resulting in a fatality
Hit and run offense	Any conviction	Any conviction
License suspension <sup>1</sup>	One or more	Two or more
License revocation	Not applicable	One or more

<sup>1</sup> If the potential driving employee does not have 2 years of continuous driving experience after the ending date of the suspension, the individual is not eligible for consideration.

***When an applicant’s history indicates unsuitability but HR grants a special consideration for the hiring, HR officials must document their rationale for doing so on the interview sheet and in the pre-employment file.***

Furthermore, three of the nine hires with license suspensions did not have the required 2 years of continuous driving experience before being hired.<sup>2</sup> While licenses for two of the three applicants were reinstated, they were not eligible for consideration for driving positions. The remaining one new hire’s motor vehicle results did not include a reinstatement date; however, based on the date of the violation and when screening results were completed, the new hire should not have been considered for a driving position.

### **Criminal Suitability Factors**

Postal Service policy states that district HR officials must evaluate applicants with criminal convictions individually and cannot automatically disqualify the applicants; however, when an applicant’s history indicates unsuitability but HR grants a special consideration for the hiring, HR officials must document their rationale for doing so on the interview sheet and in the pre-employment file.<sup>3</sup> See Table 2 for a list of suitability disqualification factors.

During the applicant’s evaluation, HR officials should consider the following: (1) the applicant’s age at the time of conviction, (2) nature and circumstances of the offense, (3) length of time elapsed since offense, (4) evidence of efforts towards rehabilitation, (5) information supplied regarding progress towards rehabilitation or employability, (6) certificates of good conduct or restoring civil rights, and (7) the job location and nature of position.

In addition to the 11 applicants with automatic disqualifying factors, LA District HR officials did not document special considerations for seven of 33 applicants (21 percent) hired despite having disqualifying criminal convictions, such as:

- Four who had criminal driving under the influence (DUI) convictions (Note: These applicants were hired for non-driving positions so the DUIs were not automatic disqualifiers);
- One who abused dangerous drugs;
- One who received stolen property; and
- One who endangered a child.

**Table 2. Partial List of Reasons for Suitability Disqualification**

a.	Dismissal from prior employment for cause.
b.	Criminal or other conduct, which if engaged in by a postal employee, would undermine the efficiency of the Postal Service.
c.	Intentionally false statements, deception, or fraud in application, examination, or information furnished incident to appointment by the Postal Service.
d.	Refusal to furnish testimony or information to the Postal Service, that has been requested incident to appointment by the Postal Service.
e.	Current habitual use of intoxicating beverages to excess.
f.	Current abuse of narcotics or dangerous drugs.
g.	Reasonable doubt as to the loyalty of the applicant to the government of the U.S.

<sup>2</sup> Handbook EL-312, Section 516.512.

<sup>3</sup> Handbook EL-312, Section 527.

- h. Conviction for theft or embezzlement.
- i. Conviction of crimes of violence including assault with a deadly weapon.
- j. Discharge for illegal strike activity.
- k. Any legal or other disqualification that makes the applicant unfit for postal employment.

***One of the three hires was no longer employed at the Postal Service; however, the background investigation was not ordered until after the employee separated from the Postal Service and identified misdemeanors for drinking in public and possession of a hypodermic needle or syringe.***

## Office of Personnel Management Investigation Results

Postal Service policy states that district HR officials are responsible for verifying the results of background investigations.

LA District HR officials did not verify investigation results for three of 20 new hires (15 percent). One of the three hires was no longer employed at the Postal Service; however, the background investigation was not ordered until after the employee separated from the Postal Service and identified misdemeanors for drinking in public and possession of a hypodermic needle or syringe. OPM's investigation found potentially actionable issues, but did not identify them.

Similarly, investigation results for the two active employees indicated additional negative activities that warranted further review, such as:

- One new hire's pre-screening results identified a DUI conviction and OPM's investigation revealed battery, robbery, and drug possession convictions.
- One new hire's pre-screening results identified a license suspension or revocation and the OPM's investigation revealed a drug possession conviction.

## Evaluation Reviews

Postal Service policy requires managers to complete evaluation reports for new hires who have been on the job for 90 days or more. They should forward a PS Form 1750, Employee Evaluation and/or Probationary Report, to the HRSSC, as the designated postal official, for the employee's electronic official personnel file. District HR officials are required to conduct periodic performance reviews for new hires and complete a 90-day evaluation report.

LA District HR officials did not perform reviews for any of 13 eligible new hires<sup>4</sup> to ensure managers were completing their 90-day evaluation reports and sending them to the HRSSC. Managers can use employee performance evaluations to identify and correct problems early when making post-employment decisions.

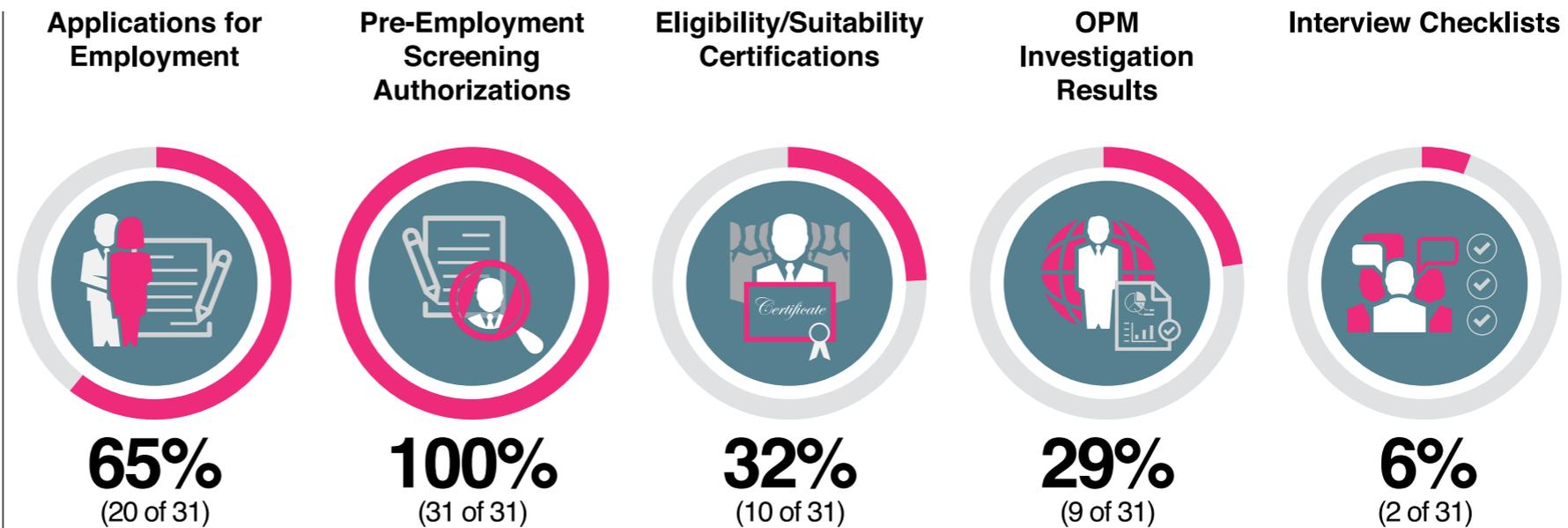
## Pre-Employment Files

Postal Service policy requires management to retain pre-employment records for 10 years for hires and 5 years for applicants who are not hired.

LA District HR officials could not provide 101 of the 183 pre-employment files we requested (55 percent). Of the 82 pre-employment files received, 33 applicants (40 percent) were hired in the LA District. Of those 33, LA District HR officials could not provide pre-employment files for two and did not maintain the following pre-employment records for the remaining 31:

<sup>4</sup> Only 13 new hires were on the job for 90 days or more.

***The pre-employment files reflect that three OPM investigations were requested but the results were not retained and they contained no documentation to show that the remaining six investigations were ever requested.***



In addition, LA District HR officials did not retain OPM investigation results for nine of the 31 pre-employment files (29 percent). The pre-employment files reflect that three OPM investigations were requested but the results were not retained and they contained no documentation to show that the remaining six investigations were ever requested.

These conditions occurred due to underlying pressure to meet operational demands coupled with non-career high turnover rates and applicant volume in the district. The LA District processed 6,118 applications during our review period, which was more than the average of 4,519 for other districts. Additionally, the annual turnover rate of 53 percent for non-career employees in the LA District was higher than the national performance assessment goal of 35 percent.

The issues were exacerbated by the fact that, during peak season, district HR staff used employees from other departments to help hire and screen even though they had no formal training or guidance and on-the-job training was not effective. This increases the risk of noncompliance, inconsistency, and inaccuracy; and adversely affects timeliness in the screening and hiring process.

When recent hires are not separated upon evidence of a lack of eligibility and suitability, they pose a safety risk to the Postal Service's customers, employees, and assets. Similarly, when background screening processes are not followed, there is a risk the Postal Service may not be ensuring the security of the mail and upholding the public trust. For example, four of the 18 applicants who were not eligible or suitable for hiring in the LA District (22 percent) were actively employed. Therefore, HRSSC and LA District HR officials should re-evaluate these employees to ascertain their current employability for the position.

Lastly, the LA District spent about \$16,544<sup>5</sup> on OPM investigations to justify whether applicants with motor vehicle violations or criminal convictions who were hired were suitable for their positions but officials cannot locate the results.

<sup>5</sup> Unsupported questioned cost during our 21-month audit period of October 2014 to June 2016.

# Recommendations

***We recommend management develop written guidance, establish a quality review process, ensure that employee evaluations and probationary reports are completed and forwarded to officials for review and action, and reevaluate the suitability and eligibility of employees with automatic motor vehicle infractions or disqualifying criminal suitability factors for whom there is no documented justification.***

We recommend the vice president, Employee Resource Management:

1. Develop written guidance for district Human Resources officials to use as a reference for the background screening process to help ensure compliance, consistency, and accuracy in execution.
2. Establish a process to conduct and document periodic quality reviews of the pre-employment files to ensure Human Resources officials assess applicants appropriately, follow up on investigative results, and maintain the files in accordance with established policies.
3. Establish a process for Human Resources officials to ensure PS Form 1750, Employee Evaluations and Probationary Reports are completed and forwarded to responsible officials for review and action.
4. Re-evaluate the suitability and eligibility of the 11 employees with automatic motor vehicle infractions and the seven employees with disqualifying criminal suitability who were screened by LA District officials in fiscal years 2015-2016 but for whom there is no documented justification.

## Management's Comments

Management partially agreed with our findings, agreed with recommendations 2 and 4 and the monetary impact, and disagreed with recommendations 1 and 3. Although management disagreed with recommendations 1 and 3, they provided alternative actions for each recommendation.

Regarding the findings, management agreed that seven of the nine employees we identified did not have an OPM background report in the pre-application file; however the remaining two had SACI reports that did not have any hits (a criminal conviction or motor vehicle infraction). Management agreed that they hired ten of the 18 employees identified as having disqualifying factors; however, they found no issues with the remaining eight. Management also stated that while they found differing results, the audit identified the need to improve quality controls and recordkeeping procedures in the LA District's pre-screening process. Additionally, management stated that the OIG should note that the hiring activities reviewed in our report took place before or at the beginning of the process to centralize external hiring processes at the HRSSC.

Management indicated they were unclear why the OIG inappropriately escalated the subject audit to the VP, Employee Resource Management, and bypassed Pacific Area officials.

Regarding recommendation 1, management disagreed, stating that the Postal Service has a process for non-career background screening. However, management stated that Pacific Area HR management will ensure they retrain LA District HR staff on the current process. In subsequent correspondence management stated they will complete this action by June 30, 2017.

Regarding recommendation 2, management agreed and will implement periodic reviews to ensure employees follow pre-employment screening processes and maintain files properly by May 31, 2017.

Regarding recommendation 3, management disagreed, stating that PS Form 1750 is outside the scope of this audit as it is not part of the pre-employment screening process. Management stated that they have a process to manage PS Forms 1750;

however district management will reemphasize those elements relative to the LA District. In subsequent correspondence management stated they will complete this action by June 30, 2017.

Management agreed to recommendation 4, stating they will re-evaluate employees who are active by May 31, 2017.

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 their corrective actions should resolve these issues.

Management's assertion that two of the nine employees had OPM background results (SACI reports) in their pre-application files and did not have any hits (a criminal conviction or motor vehicle infraction) is incorrect. As noted in the report, our review of 33 pre-employment files identified nine that did not contain OPM background results. Further, all nine had hits on their pre-screening reports, which included two criminal convictions and seven motor vehicle infractions. We based our analysis on documentation provided by Postal Service Headquarters (HQ) officials and discussed it with the district manager, area officials, and the district's acting HR manager and her staff prior to issuance of the draft report. As management disputes the results, they provided no additional support with their claims to validate their assertion.

Management stated that they did not find any issues with eight of the eleven employees who we found as having disqualifying motor vehicle infractions. Specifically, they stated that they hired six for non-driving positions, the HRSSC passed one, and one did not have a report indicating a potential disqualifying factor. However, as noted in our report, 10 of 11 employees were city carrier assistants and one was an auto technician, a position which requires the operation of motor vehicles. These applicants applied and were screened prior to management centralizing external hiring processes at the HRSSC; therefore, the district was responsible for reviewing motor vehicle infractions. In addition, there was no evidence in the file that this infraction was bypassed. All eleven employees' files contained reports with disqualifying motor vehicle infractions, such as license suspensions in the last 3 to 5 years and traffic violations in the past 12 months. We based our analysis on documentation provided by HQ officials and discussed it with the district manager, area officials, and the district HR manager and her staff prior to issuance of the draft report. As management disputes the results, they did not provide additional support with their claims to validate their assertion.

We considered management's efforts to centralize external hiring processes at the HRSSC in our audit analysis; however, these efforts had no impact on the findings and recommendations.

Management stated that the OIG inappropriately escalated the subject audit to the VP, Employee Resource Management, and bypassed Pacific Area officials. The scope of the audit involved the pre-screening process, which included a review of the HRSSC which reports to the VP, Employee Resource Management, and the LA District, which reports to the Pacific Area. The audit team met with responsible HQ and district officials to commence the audit. Although the Pacific Area HR manager assisted with scheduling the entrance conference with district officials and was invited, she did not attend. We invited applicable HQ, area, and district officials to the exit conference, however, none attended. The area was represented by their HR and finance managers. This is consistent with OIG protocol when audit subjects include HQ, area, and district personnel.

Regarding recommendation 1, management's alternative action to retrain HR staff on the current process should satisfy the intent of this recommendation; however, management should also ensure that new hires, permanent or detailed, who assist with the district's hiring are sufficiently trained to perform the prescribed roles and responsibilities.

Regarding recommendation 3, we disagree that PS Form 1750 was outside the scope of our audit. In accordance with Handbook EL-312, this form is the final stage of determining suitability. The audit objective was to assess the Postal Service's employee background screening process which encompasses pre-screening and post-job offer activities. Completion of PS Form 1750 is critical to determining whether or not to retain an employee before their 90-day probationary period ends. Management's alternative actions to emphasize elements relative to LA District personnel satisfies the intent of this recommendation.

All recommendations require 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.

# Appendices

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## Appendix A: Additional Information

### Background

The Postal Service's Employee Resource Management division includes a combination of HR departments – HQ Corporate Personnel Management, the HRSSC, and local districts' HR departments. The HR departments' responsibilities include:

- HQ's employment, placement, and testing teams work on policy and guidance regarding eCareer, hiring, and placement;
- HRSSC manages job postings, orders screenings, and generates hiring lists; and
- District HR interviews applicants, assesses suitability and eligibility and makes hiring decisions.

The hiring process includes screening employees to determine eligibility and suitability, conducting background investigations, and completing 90-day performance evaluations. Once an individual applies for a position and meets eligibility and suitability requirements, the HRSSC initiates a pre-screening investigation that includes county criminal record checks, motor vehicle checks for driving positions, and drug testing. The Postal Service uses a contractor, General Information Services, to perform pre-screening investigations, local districts assess each applicant's criminal record, and HRSSC officials review motor vehicle history to ensure fairness and consideration for all applicants.

The LA District is one of the top 10 districts that hires non-career employees. For FYs 2015 through 2016, Q3, the LA District hired over 6,000 non-career employees, representing over 90 percent of new hires. Non-career employees are temporary employees who do not have full employee benefits and privileges. The Postal Service has four crafts that constitute the non-career employee portfolio:

- Mail handler assistants, who unload and move mail in plants;
- Postal support employees, who process mail, perform custodial services and vehicle maintenance, and sell postage at post offices;
- City carrier assistants, who deliver mail on designated city routes; and
- Rural carrier associates, who deliver mail on designated rural routes.

Non-career employees require a suitability background investigation. These positions are considered low-risk and require a special agency check, which the OPM conducts. Prior to June 20, 2016, the HRSSC pre-screening process entailed ordering and reviewing motor vehicle records for those seeking positions requiring operation of a motor vehicle, a county criminal record check, and a drug test before applicants were selected for interviews.<sup>6</sup> The HRSSC verified the criminal history the applicant entered on the application against the results of the contractor's pre-screening investigation. The HRSSC then added the applicant to the pre-hire list for the district's local HR department to assess and possibly interview. District HR departments must evaluate the suitability of each applicant with a criminal conviction or pending criminal charge. During the applicant's evaluation, HR officials should consider the following:

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<sup>6</sup> This change was intended to reduce background screening costs.

- Applicant's age at the time of conviction;
- Nature and circumstance of the offense;
- Length of time elapsed since offense;
- Evidence of effort toward rehabilitation;
- Information supplied regarding progress towards rehabilitation or suitability for employment;
- Certificate of good conduct and certificate restoring civil rights; and
- Job location and nature of position.

Once an applicant was determined eligible and suitable after the interview, the HRSSC validated that the screenings were cleared and generated and sent a conditional job offer letter to the applicant. HR local services began post-job offer activities<sup>7</sup> such as initiating the special agency checks with inquiries (SACI) that is conducted by the OPM. OPM conducted SACIs for non-career applicants for Postal Service employment purposes. Effective FY 2017, the U.S. Postal Inspection Service conducts post-job offer background investigations.

### **Objective, Scope, and Methodology**

Our objective was to determine whether the employee background screening process for non-career employees was sufficient to ensure individuals selected for employment in the LA District were suitable to maintain the security and uphold public trust of the mail. The scope of our audit was non-career employees in the LA District for FY 2015 through FY 2016, Q3.

We judgmentally selected the LA District for our fieldwork because it was one of the top districts for hiring non-career employees in FY 2015 through FY 2016, Q3. To solidify our scope, we collaborated with our Office of Investigations, which we learned that the distribution of drugs through the mailstream is a growing concern and that non-career employees are often involved in these activities.

To accomplish our objective we:

- Reviewed a statistical sample of 183 of 1,597 applicants for non-career positions;
- Reviewed applicants' criminal histories and motor vehicle screening reports to determine if HR staff consistently assessed and evaluated them;
- Assessed district HR officials' hiring and non-hiring decisions to determine if they consistently evaluated applicants' criminal histories;

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<sup>7</sup> Post-job offer activities include: verification of employment eligibility using OMB Form I-9, initiation of special agency checks, review of appointment affidavit, administration of the oath of office, review of official personnel folders, and review of job expectations with the new employee for the first 90 days of employment.

- Reviewed employee files to determine if supervisors conducted 90-day evaluations as required;
- Obtained and analyzed contractor screening reports from eQuest;<sup>8</sup> the universe of non-careers in the top 10 districts for the past 2 years from the Enterprise Data Warehouse,<sup>9</sup> and HR personnel data from Employment Personnel Action History<sup>10</sup> to perform data reliability and verification testing;
- Reviewed applicable Postal Service policies and procedures related to the employee background screening and hiring process to determine if HR staff sufficiently applied eligibility and suitability disqualifying factors;
- Analyzed investigative findings and post-hiring activities to determine if HR officials made hiring decisions consistent with Handbook EL-312;
- Interviewed Postal Service managers and personnel involved in the hiring process at HQ, Security Investigation Service Center, HRSSC, and in the LA District to understand the employee background screening, investigation, and hiring process;
- Inquired into the training of LA District staff members involved in the hiring process to determine if it was sufficient; and
- Judgmentally compared LA District HR department to nine other district HR departments using the *Authorized Jobs, On Rolls, and Nature of Action Summary* reports to obtain complement data for the number of hires per staff member.

We conducted this performance audit from June 2016 through March 2017, 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 January 23, 2017, and included their comments where appropriate.

We assessed the reliability of EPAH and eQuest+ data by tracing the data back to source documents reviewed at the LA District. We determined that the data was sufficiently reliable for the purposes of this report.

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<sup>8</sup> A contractor's system that HRSSC and other responsible officials use to access screening results from the applicants' criminal and motor vehicle record checks.

<sup>9</sup> A system used for reporting and data analysis that is considered a core component of business intelligence.

<sup>10</sup> The repository for all employee personnel actions, PS Form 50, and placement history. It is a web-based application that allows the HRSSC, the Retirement Branch, HQ administration, and other authorized employees access to employee transaction history.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Badges for Postal Service Contractors</i>	Determine whether the Postal Service issued contractor badges in accordance with the agency guidelines and assess internal controls over contractor badges.	<a href="#">HR-AR-15-004</a>	3/6/2015	None
<i>Security Clearance for Postal Service Contract Drivers</i>	Determine whether Postal Service officials issued security clearances to contract drivers in accordance with policy and assess controls over the contract driver security clearance process.	<a href="#">HR-AR-15-001</a>	11/20/2014	None

## Appendix B: Management's Comments

AL SANTOS  
DISTRICT MANAGER, LOS ANGELES DISTRICT



February 14, 2017

LORI LAU DILLARD  
DIRECTOR AUDIT OPERATIONS

SUBJECT: Non-Career Employee Background Screening in the Los Angeles District

This letter is in response to Draft Audit Report – "Non-Career Employee Background Screening in the Los Angeles District" (Report Number HRAR17-DRAFT) dated January 25, 2017.

As evidenced by the report, its objective: **"Our objective was to assess the Postal Service's employee background screening process for non-career employees to determine whether it ensured individuals selected for employment in the LA District were suitable for maintaining the security of the mail and upholding the public trust,"** and a 'field' only entrance, this audit is field based (i.e. Los Angeles District). It is unclear why the OIG inappropriately escalated it to USPS Headquarters (i.e. VP, Employee Resource Management), as well as bypassing the Pacific Area. In lieu of these facts, Headquarters will provide guidance and assistance to the Pacific Area subsequent to the LA District on proper policies and procedures.

The U.S. Postal Service reviewed the findings and recommendations contained therein, a collective response is as follows:

The Postal Service believes the background screening process is critically important as it is a key tool in ensuring the safety and security of the mail, our customers, our employees and the Postal Service brand.

The Pacific Area Human Resources staff reviewed the specific files identified by the OIG on January 24, 2017. The OIG identified nine (9) employees without OPM background results in their file. The Pacific Area agree that seven (7) files they reviewed did not have an OPM background report in the pre-application file and two (2) were found to contain SACI reports (no hits identified).

The OIG also found eighteen (18) employees hired with "disqualifying factors"—seven (7) with criminal suitability and eleven (11) with motor vehicle history (MVRs). The Pacific Area agree that ten (10) were hired with "disqualifying factors"—seven (7) with criminal suitability and three (3) with MVRs. Of these ten (10), four (4) are still active.

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In regards to the remaining ten (10) identified by the OIG as having disqualifying factors on their MVRs, the Pacific Area found no concerns with eight (8) employees—six (6) were hired into non-driving positions, one (1) was passed by the Human Resources Shared Services Center (HRSSC) and one (1) did not have a report that indicated a potential disqualifying factor.

While the Pacific Area review found some differing results, nevertheless the OIG audit identified the need to improve quality control and recordkeeping in the Los Angeles District's pre-screening process. It should also be noted the hiring activity reviewed by the OIG in this report took place before or at the beginning of the process to centralize many external hiring processes at the HRSSC which include additional processes to ensure initial suitability concerns are addressed.

**RECOMMENDATIONS:**

**We recommend the Vice President, Employee Resource Management:**

1. Develop written guidance for District Human Resources officials to use as a reference for the background screening process to help ensure compliance, consistency, and accuracy in execution.

**Disagree:** USPS has a process for non-career background screening. However, the Pacific Area Human Resources will ensure that LA District Human Resources staff are retrained on the current process.

2. Establish a process to conduct and document periodic quality reviews of the pre-employment files to ensure Human Resources officials assess applicants appropriately, follow up on investigative results, and maintain the files in accordance with established policies.

**Agree:** USPS management in Los Angeles will establish periodic quality reviews to ensure pre-employment screening processes are being followed and files properly maintained.

Target Implementation Date: May 2017

Responsible Official: District Manager, Human Resources

3. Establish a process for Human Resources officials to ensure PS Forms 1750, Employee Evaluations and Probationary Reports are completed and forwarded to responsible officials for review and action.

**Disagree:** The PS Form 1750 is outside the scope of the Audit as it is not a pre-employment screening process. The USPS has a process for managing the Form 1750 function (noted within the report). However, District management will re-emphasize the relative elements to the Los Angeles District.

4. Re-evaluate the suitability and eligibility of the 11 employees with automatic motor vehicle infractions and the 7 employees with disqualifying criminal suitability who were screened by LA District officials in fiscal years 2015-2016 but for whom there is no documented justification.

**Agree:** Los Angeles District Management will re-evaluate the so noted employees who are still active. In doing so it will collaborate with Labor Relations and Law Department to ensure any actions are consistent with federal laws and Collective Bargaining Agreements.

Target Implementation Date: May 2017

Responsible Official: District Manager, Human Resources

With regard to the monetary impact the Postal Service agrees with the monetary impact of \$16,544. This represents potential cost of OPM reports that could not be located related to employee post-employment background checks.



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Al Santos  
District Manager  
Los Angeles District

cc: HQ HR  
Pacific Area HR



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