

United States General Accounting Office

GAO

Report to the Honorable
Glenn English, Chairman, Subcommittee
on Government Information, Justice, and
Agriculture, Committee on Government
Operations, House of Representatives

June 1988

POSTAL SERVICE

Screening Applicants for Employment



RESTRICTED—Not to be released outside the General
Accounting Office without the specific approval
by the Office of Congressional Relations.

542540/136236



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-210883

June 24, 1988

The Honorable Glenn English
Chairman, Subcommittee on Government
Information, Justice, and Agriculture
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

This report is in response to your February 20, 1987, request that we review the policies and practices of the United States Postal Service for screening and evaluating the suitability of applicants for employment.

As requested by the Subcommittee, no further distribution of the report will be made until 30 days from the date of the report unless you publicly release its contents earlier. At that time, copies will be sent to the House Committee on Post Office and Civil Service and its two postal Subcommittees, the Postal Service Board of Governors, and the Postmaster General. Copies will also be made available to other interested parties upon request.

Sincerely yours,

A handwritten signature in black ink that reads "Richard L. Fogel". The signature is written in a cursive, flowing style.

Richard L. Fogel
Assistant Comptroller General

Executive Summary

Purpose

On August 20, 1986, a worker at the Edmond, Oklahoma, post office shot 20 employees, killing 14, before taking his own life. A Postal Service investigative report on this incident said the disgruntled employee had not been properly screened before being employed or managed after being hired. This determination caused the Chairman, Subcommittee on Government Information, Justice, and Agriculture, House Committee on Government Operations, to ask GAO to

- make an independent assessment of the Service's applicant screening and personnel management practices and
- evaluate the adequacy of any actions taken by the Service to improve the screening process and management of new employees.

This report responds to concerns about preemployment screening practices. An assessment of how the Service manages newly hired employees will be issued separately.

Background

The Service's policy on preemployment screening is that each applicant's record should be checked with former employers and law enforcement agencies. Checking with former employers is necessary to verify the information an applicant gives on the application form and to obtain further information on the applicant's past work performance. Police checks are required for postal workers to ensure the security of the mail and to sustain public trust in the integrity and reliability of postal employees.

Applicant screening practices were reviewed at 15 locations—12 by the Postal Inspection Service and 3 by GAO. The reviews were done separately but the results are reported together because they were similar.

Results in Brief

None of the 15 post offices reviewed were in full compliance with the Postal Service's preemployment screening requirements. As a result, each office hired employees without checking their suitability for employment with prior employers and law enforcement agencies as required. Reasons for not complying included (1) law enforcement agencies not providing criminal history information due to policies prohibiting them from releasing such information, (2) employers' concerns about privacy issues or being sued, and (3) some postal hiring personnel did not attempt to obtain the necessary information about applicants.

Even with the difficulty in obtaining information, the Service's policy allows no deviation from its screening requirements. It includes no instructions to personnel office staff on what to do if they cannot obtain the required screening information. Also, because of a lack of internal control procedures, noncompliance with the screening requirements may not be detected before a person is hired.

Principal Findings

Noncompliance With Preemployment Screening Requirements

The Postal Inspection Service and GAO found that out of a sample of 1,289 newly hired employees at 15 locations, about 63 percent were hired without employment checks with their former employers, and 58 percent were hired without a police check. (See p. 28.)

Preemployment screening, as required by the Postal Service, is dependent on cooperation from employers and law enforcement agencies. Not receiving information from such sources was cited as a reason for noncompliance with the requirements. Employers may not cooperate because of concerns about being sued as the source of prejudicial information and concerns over privacy of their employees. Policies of state governments may also restrict the release of criminal history information by law enforcement agencies. Also, Service officials in some locations are unwilling to pay a fee for criminal history information when fees are required to obtain the information.

Other reasons given by postal hiring officials for not complying with the screening requirements include inadequate staff, not enough time to complete the screening checks, and postal personnel not trying to obtain screening information even though required to do so.

No Internal Control Procedures to Detect Noncompliance With Screening Requirements

At all 15 locations, there were no internal control procedures to assure selecting officials that all required screening had been done before hiring decisions were made. Also, selecting officials had not been instructed on how to make personal suitability determinations or on how to proceed with a hiring action when they lacked information from employers and law enforcement agencies. These reasons lead GAO to conclude that hiring decisions are made independently of the results of the preemployment screening. (See p. 21.)

Service Has Acted to Improve Screening Process

The Service has taken actions to improve the screening process, including emphasizing in training for principal hiring staff the importance of preemployment screening and by expanding the guidance on suitability screening in the personnel operations handbook. These initiatives are positive steps but it is too soon to evaluate their effectiveness.

Recommendations

To detect noncompliance and improve the preemployment screening process before a hiring decision is made, GAO recommends that the Postmaster General

- establish a control procedure alerting the selecting official when the required police and prior employment checks have not been done and
- instruct hiring officials on how to proceed with a hiring action when screening checks from police and prior employers are missing. The Postal Service will need to instruct its officials on whether people should be hired absent these checks. If so, GAO assumes management would have to make judgmental decisions based on what is known about the applicant's background and the sensitivity of the position being applied for, but at a minimum perhaps the Postal Service might insist that prior employers always be contacted before a hiring decision is made.

Agency Comments

In commenting on this report, the Postal Service said GAO's findings were consistent with its own internal assessments of the applicant screening process.

Regarding GAO's recommendations, the Service said it will add a check procedure to the automated hiring and testing system to alert selecting officials of the status of suitability screening (complete, incomplete, or not initiated) for each applicant. In addition, specific guidance will be developed to advise selecting officials how to proceed in the hiring process when there is incomplete criminal or work history information.

Contents

| | |
|-----------------------------|----|
| <hr/> | |
| Executive Summary | 2 |
| <hr/> | |
| Chapter 1 | 8 |
| Introduction | 8 |
| | 9 |
| <hr/> | |
| Chapter 2 | 13 |
| Screening | 13 |
| Requirements and | 14 |
| Why Screening Should | 16 |
| Be Done | 17 |
| <hr/> | |
| Chapter 3 | 18 |
| Noncompliance With | 18 |
| Preemployment | 19 |
| Screening Is | 21 |
| Widespread | 21 |
| | 22 |
| | 25 |
| | 26 |
| | 26 |
| <hr/> | |
| Appendixes | 28 |
| | 29 |
| | 30 |
| <hr/> | |
| Tables | 19 |
| | 28 |

Contents

Abbreviations

| | |
|------|------------------------------------|
| GAO | General Accounting Office |
| HRIS | Human Resources Information System |
| OPM | Office of Personnel Management |

Introduction

The U.S. Postal Service is one of the Nation's largest employers. Its work force numbers about 765,000 career employees as of the end of postal fiscal year 1987. The majority of jobs are craft positions, such as city delivery carriers, clerks, and mail handlers. In general, the Postal Service uses a competitive hiring system, with certain requirements to accord preference to veterans. Veterans accounted for 43 percent of the career work force as of the end of postal fiscal year 1987. Each year, many new craft employees are hired. The Postal Service hired approximately 75,600 career employees in craft positions in postal fiscal year 1987. In addition to career employees, the Service also hires noncareer workers for periods not to exceed 90 days at a time. These "casual" workers can work two such periods in a calendar year plus an additional 3-week period during the Christmas season.

How the Postal Service Hires Craft Employees

To be considered for a career job in the Service, a person must first pass an examination for the type of craft one is applying for. A score of 70 or above is a passing score. In postal fiscal year 1987, approximately 1.6 million persons took employment examinations. Applicants qualifying for veterans' preference have advantages over all other applicants. Veterans will have an additional 5 or 10 points added to their passing test scores depending upon their status. Each postal facility with hiring authority maintains a hiring register for the craft type of all applicants who pass the examination. Although the Postal Service is currently automating its hiring registers (see p. 25), the hiring register is now usually a collection of small cards called register cards—a card for each person is arranged in numerical rank score order. Hiring registers may be used for up to 3 years. Applicants may take the examinations only when the registers for the particular craft are open, except for veterans, who may reopen a closed register under certain conditions.

When a postal facility hires from a register, multiple register cards, usually two or three times the number of vacancies, are pulled from the hiring register in order of score to ensure there is a sufficient pool of applicants to fill the vacancies. In large post offices, usually more than one person is hired at the same time. These persons' names and scores are then placed on a hiring work sheet. A call-in notice with instructions to appear for an interview and a copy of the application form is mailed to each person on the hiring work sheet. The hiring work sheet is used to record the action taken in regard to each person's availability for employment and the final decision on employment consideration.

Screening Checks

The postal personnel operations handbook P-11 requires that suitability checks be made of all persons seeking employment. According to the handbook, preemployment suitability checks are to include work history, police, and character checks. The preemployment screening process essentially begins when the applicant is being interviewed by postal personnel. Omissions and clarifications to the application form are made during the interview.

To do the preemployment screening checks, personnel staff at the hiring offices must contact the applicants' former employers as well as law enforcement agencies to obtain information. If the screening checks disclose information that would render an applicant unsuitable, that person is generally no longer considered for a postal job.

The Rule of Three

The postal personnel handbook P-11 requires that the selecting official apply the so-called "rule of three" when making selecting decisions. The rule of three requires the selecting official to consider the top three applicants (in terms of test scores) as a group for selection consideration. After a selection has been made from the initial group of three, the remaining two candidates who were not chosen in the initial grouping and the next available person on the hiring work sheet form another group of three from which one would be selected. The hiring work sheet is annotated to show the hiring action—selected or not selected—from applying the rule of three. If a person is not selected after being considered three times, he or she is no longer considered for the job and dropped from the register. Lower ranked applicants are moved up to form new groups of three. Application of the rule of three continues in this manner until enough selections have been made to fill the vacancies. The actual hiring process may vary somewhat by location, but the application of the rule of three should be uniform throughout the Service.

Objectives, Scope, and Methodology

On August 20, 1986, an employee of the Edmond, Oklahoma, Post Office shot 20 fellow employees, killing 14 and wounding 6, before he shot and killed himself. A Postal Inspection Service¹ investigative report disclosed that the Postal Service had not fully complied with proper procedures in screening the employee's background when he was an applicant for employment. For example, no contacts were made with his former employers. It had also not properly managed the probationary period of this disgruntled employee.

¹The Postal Inspection Service is the Postal Service's audit and investigative organization.

Citing this report, the Chairman, Subcommittee on Government Information, Justice, and Agriculture, House Committee on Government Operations, asked us on February 20, 1987, to review the Postal Service's applicant screening and personnel management practices for craft employees. (See app. II.) As agreed with the Subcommittee, our objectives were to determine if noncompliance with applicant screening requirements was widespread and to determine the adequacy of any steps taken by the Service to address any deficiencies. We also agreed to review the Postal Service's management and evaluation of newly hired employees and report the results separately.

In the course of our work, we discovered that a similar review of applicant screening procedures had been started by the Postal Inspection Service in July 1986. The Postal Inspection Service's report, which is based on an examination of compliance with screening requirements in 12 locations,² was issued on a restricted internal basis in August 1987. Because its findings were consistent with the results of our initial work in three other locations, the Subcommittee agreed with our suggestion that we curtail the scope of our work and combine our results with those of the Postal Inspection Service. The Chief of the Postal Inspection Service's Audit Division also agreed.

To become familiar with the Service's screening practices, we reviewed postal personnel regulations and visited three hiring locations to determine whether records on the screening of applicants documented that the requirements were being followed. Our work was done at post offices in Washington, D.C.; Denver, Colorado; and Littleton, Colorado. Washington and Denver were selected to provide insight into practices at major urban centers, and Littleton to provide comparative data on a smaller geographic location. At these locations, we interviewed Service officials who were responsible for the recruitment, examination, selection, training, and management of new employees. This included the directors of human resources, managers of labor relations, employment officers, and other managers and supervisors involved in the hiring process. We reviewed personnel manuals, policies, procedures, and memoranda used in the hiring of new employees. We also discussed the Service's screening policies with postal officials in the Employee Relations Department at the Service's headquarters in Washington, D.C., and

²The Postal Inspection Service's audit was based on random samples of employees hired in postal fiscal year 1986 (Sept. 28, 1985, to Sept. 26, 1986). The locations reviewed were Atlanta, Georgia; Baltimore, Maryland; Birmingham, Alabama; Chicago, Illinois; Detroit, Michigan; Houston, Texas; Indianapolis, Indiana; Minneapolis, Minnesota; Philadelphia, Pennsylvania; Prince Georges, Maryland; St. Louis, Missouri; and St. Paul, Minnesota.

obtained information from department officials on actions planned and recently implemented to improve the screening and hiring process. We attended hiring practices and procedures training sessions that were mandatory for the Service's principal hiring staff.

To assess the extent to which officials at the postal facilities we visited were following prescribed policies and procedures for screening and hiring new employees, we selected 74 new career employees as case examples. These new employees were hired by the Service in craft positions between January 1, 1986, and June 30, 1987. The cases represent persons selected for hire by postal officials from hiring work sheets. We judgmentally selected several different hiring work sheets in order to include different craft types in our analyses. The cases were not selected randomly and cannot be projected to the universe of all persons selected at these locations.

To determine if internal controls and procedures were adequate to ensure that the required screening checks were done, we interviewed personnel officials who were responsible for the procedures at the three locations we visited, determined if controls were documented, and independently evaluated the procedures in place. To do so, we flowcharted and then analyzed the existing screening procedures. We found internal control procedures weak or nonexistent, indicating that if we had reviewed additional numbers of cases in these locations, our survey results probably would not have changed. Internal controls were also weak at the locations covered by the Postal Inspection Service's audit report.

In order to compare screening requirements to those used in private organizations that hire similar employees to the Service, we interviewed personnel managers at two private companies in the Washington, D.C., area and one in Denver, Colorado. We also obtained information on the screening requirements for new employees of federal executive agencies from the Office of Personnel Management (OPM) for comparison purposes. We collected information from a professional association that specializes in personnel matters and researched current periodicals to look at trends in employment screening.

Our review, which followed generally accepted government auditing standards, was done between April 1987 and December 1987 at the three post offices and between April 1987 and March 1988 at the Postal Service's headquarters. The Postal Service provided written comments

Chapter 1
Introduction

on a draft of this report. These comments are highlighted in chapter 3 and included in full in appendix III.

Screening Requirements and Why Screening Should Be Done

Conducting screening checks of a prospective employee's background is an important part of the hiring process. Screening prospective postal employees is done to ensure the security of the mail and to sustain public trust and confidence in the reliability and integrity of postal employees. We found that the screening requirements for postal workers are similar to those of other employers. Because of privacy concerns of employers generally and the potential for lawsuits, employment screening is difficult to do.

The Service's Screening Requirements

The Postal Service's personnel operations handbook P-11 is the primary document that gives instructions for employment and selection procedures of new postal employees. The handbook is supplemented by a management instruction entitled Prehire, Orientation and Evaluation Process for New Employees, which was issued in February 1984. Both of these documents state the Service's policy that suitability screening should be done in advance of employment and should include checks of past employment history, criminal records, and character references. The personnel handbook contains sample letters of inquiry that can be mailed to employers and police departments.

The personnel operations handbook and the management instruction do not provide guidelines on what to do if the Service's screening requirements are not met. Thus, there are no instructions on how to proceed with a hiring action not supported by the required screening information.

Police Checks

Police checks are required for all newly hired postal employees to ensure the security of the mail and to sustain public trust in the integrity and reliability of postal employees. The personnel operations handbook also states that inquiries regarding criminal records should be made before new employees are hired.

Prior Employment Checks

Employment reference checks have long been an accepted hiring practice in both the public and private sectors. They are important to the hiring process to verify information the applicant has given and to give some indication as to whether or not an applicant is suitable for the job.

Character Reference Checks

The Postal Inspection Service reported that only 2 of the 12 locations they visited were routinely conducting character reference checks. Managers at all 12 locations said that the results of these checks provided little or no beneficial information for making employment decisions. In addition, character reference checks were not being done at the three locations we visited. The Assistant Postmaster General, Employee Relations Department, said this requirement will be removed from the personnel operations handbook, which is being revised. The Postal Inspection Service concurred. We have not included a discussion on the results of character reference checks in this report because only 2 of the 15 locations were obtaining them, and because the Service plans to remove this requirement from its personnel handbook.

The Service's Screening Requirements Are Similar to Those of Other Employers

To determine whether the screening requirements for postal employment are comparable to those of other companies, we talked with the personnel managers at three large private service companies and obtained the results of a survey on personnel screening practices of 377 employers. We also obtained information on the screening requirements for employees in federal executive agencies as set forth in the Federal Personnel Manual from officials at OPM and researched literature for current trends in employment screening. We found that the Postal Service's screening requirements were similar to other employers' requirements.

Screening Requirements in the Private Sector

We interviewed the personnel managers at two large companies in the Washington, D.C., area and one in Denver, Colorado, to determine what suitability requirements they looked for when hiring new staff. These three employers' work forces are similar to the Service's in that they include skilled craft-type jobs, are mostly unionized, and have comparable educational requirements. We found that many jobs in these companies required the same types of screening—police and prior employment—as the Service does. None of the companies checked character references as a normal part of screening.

The personnel managers at the companies told us that police checks are required only for certain positions, such as those requiring the handling of money or having access to valuable property. At one company, police checks were required for positions in which employees needed to get inside private residences to do their jobs. Bonding was also required for these positions. Checks were generally limited to local police departments.

Checking with former employers was required at all three companies. Personnel officials said they consider checking with former employers to be very important in choosing new staff. Officials at the companies said they used the telephone instead of the mail to obtain employment checks because of expediency, and, in their opinion, more useful information could be obtained in this manner. Instead of calling personnel offices for employee information, managers at two companies said they called the former supervisors of the job applicants because more useful information can be obtained this way.

Survey of Screening Requirements

The International Personnel Management Association, a membership organization for agencies and individuals in the public personnel field, issues a personnel survey of government employers. Their 1986 survey of government agencies showed that reference checks are widely used as part of the selection process. A total of 377 county, city, state, and federal government agencies responded to the survey. Three hundred and twenty-nine, or 87.3 percent, of these employers said they used reference checks as part of their selection process. The survey did not provide details on the types of checks the employers did.

Federal Executive Agencies' Screening Requirements

The requirements for federal executive agency employment as contained in the Federal Personnel Manual are similar to those for postal work. The determination of suitability for federal employment includes a check of the applicant's prior employment and criminal record. OPM is generally responsible for doing the investigations, which generally cover the 5 years before application. However, as the sensitivity of the job increases, so does the degree of required background investigation.

Current Trends in Screening Prospective Employees

We also researched the most recent personnel publications to determine the trends regarding reference checking.¹ The results of our research showed that reference checking with employers and police departments is widely used by large Fortune 500 companies as well as small companies because they consider it a sound personnel management practice and essential to the hiring process.

¹We used two databases in our research: the ABI/INFORM database (Data Courier) and the Management Contents database (Information Access Co.).

Obstacles to Reference Checking

Employment screening generally includes a check of a potential employee's references. The same questions should be asked about all applicants and a good business reason should be given for the questions. According to the Service's management instruction on Prehire, Orientation and Evaluation Process for New Employees, personnel officials should secure the applicants' permission to obtain reference checks. The personnel handbook states that inquiries regarding criminal information should be limited to conviction records or where charges are still pending. Personnel selection is becoming more complicated as it becomes more difficult to obtain relevant background information.

Personnel managers at all three of the private companies we talked with confirmed that reference checking with previous or current employers is difficult to do, yet they still require reference checks for all new employees. They said they need reference information to make a decision on whether to hire or not. They said, on the other hand, because of the potential for being sued as the source of prejudicial information and concerns over privacy of their employees, their own personnel departments have adopted policies to only verify information given by the applicant to the prospective employer. Generally, their personnel departments only disclose dates of employment, position, and salary.

Restrictions by federal and state law enforcement agencies have lessened access to criminal history databases. For example, the Postal Inspection Service once had access for employment screening purposes to the Federal Bureau of Investigation's National Crime Information Center's records, a computerized database of state criminal history files. However, in 1983, the Center changed its usage policy, and its records were no longer available for administrative uses such as routine employment screening. This change in policy eliminated the Service's ability to determine if an individual had a criminal history on a nationwide basis.

Access restrictions to criminal history information are not limited to the Service. According to information obtained from OPM, which conducts employment suitability checks for federal agencies, it cannot routinely obtain criminal history information from all law enforcement agencies even though the review of state and local criminal history record information is useful in its investigations. On the basis of information obtained as recently as April 1988 from OPM, the agency could not obtain criminal history record information from all locations in five states and the District of Columbia through written inquiries. In addition, some locations in 31 other states will not respond to written inquiries. To address some of these access problems, Congress included provisions in

the Intelligence Authorization Act for 1986 to indemnify eligible state and local criminal justice agencies when they provide criminal history record information to OPM for individuals being considered for certain sensitive positions.²

According to a 1982 study by the Office of Technology Assessment,³ all states have placed some restrictions on the dissemination of criminal history information because of privacy concerns and concerns over the accuracy and completeness of criminal history information. Also, a 1988 survey by the Service shows that post offices in 10 states do not have access to any statewide criminal history information for employment purposes.

Conclusions

Conducting screening checks of a prospective employee's background is an important part of the hiring process. Reviewing information of an applicant's past employment record and checking criminal history files is useful when assessing the applicant's overall suitability for employment. But employment screening is difficult to do because employers and law enforcement agencies may not provide the necessary screening information.

²This indemnification is due to expire in December 1988.

³Alternatives for a National Computerized Criminal History System, Office of Technology Assessment, Washington, D.C., October 1982.

Noncompliance With Preemployment Screening Is Widespread

Post offices in 15 locations throughout the United States are not fully complying with the Service's preemployment screening requirements. As a result, not all employees hired at these locations have had their suitability for employment checked with prior employers and law enforcement agencies as required by Postal Service policy. Although the Service's personnel operations handbook does not provide for deviations from the preemployment screening requirements, substantial noncompliance with the requirements was found at the 3 offices we reviewed and at the 12 offices surveyed by the Postal Inspection Service.

Postal management has accepted recommendations from the Inspection Service and is taking action to improve the preemployment screening process. The actions being taken, however, do not include an internal control procedure to detect noncompliance with the screening requirements or instructions as to what should be done if they cannot be met. Compliance with the screening requirements will still depend on information from external sources (i.e., prior employers and police departments), and obstacles to obtaining information from such sources, as discussed in chapter 2, will remain.

Audit Results at the 15 Locations

A total of 1,289 new employees were sampled by the Postal Inspection Service (1,215 cases) and us (74 cases) to determine if screening of applicants was being done as required by Postal Service regulations. In summary, the results show that 815, or 63.2 percent, of the newly hired craft employees were hired without their job histories being checked with former employers. Also, police checks were not done for 748, or 58 percent, of these new employees. Table 3.1 summarizes the percentage of police and employment checks not done at the 15 locations reviewed. As shown in the table, each location varied in compliance with the screening requirements. Philadelphia, for example, did not do any screening checks at all. St. Paul, Chicago, and Houston did not do any police checks and did only a few employment checks. Detroit, on the other hand, did no police checks but almost always did employment checks. As illustrated in the table, no locations completely complied with the Service's screening requirements. Appendix I contains a more detailed account of the audit results at these locations.

Chapter 3
 Noncompliance With Preemployment
 Screening Is Widespread

Table 3.1: Percent of Preemployment Screening Checks Not Done

| Locations reviewed | Employees sampled | Percent not done | |
|---|-------------------|--------------------|---------------|
| | | Employment checks | Police checks |
| | | (%) | (%) |
| By Postal Inspection Service^a | | | |
| St. Louis | 100 | 67.0 | 73.0 |
| Indianapolis | 104 | 21.2 | 14.4 |
| Minneapolis | 100 | 84.0 | 50.0 |
| St. Paul | 100 | 94.0 | 100.0 |
| Chicago | 110 | 97.3 | 100.0 |
| Detroit | 100 | 1.0 | 100.0 |
| Atlanta | 102 | 98.0 | 22.5 |
| Baltimore | 103 | 37.9 | 24.3 |
| Birmingham | 97 | 28.9 | 7.2 |
| Houston | 100 | 61.0 | 100.0 |
| Philadelphia | 100 | 100.0 | 100.0 |
| Southern Maryland | 99 | 49.5 | 26.3 |
| Total no. sampled | 1215 | | |
| By GAO^b | | | |
| Washington, D.C. | 39 | 92.3 | 33.3 |
| Denver | 25 | 100.0 ^c | 16.0 |
| Littleton, CO. | 10 | 20.0 | 20.0 |
| Total no. sampled | 74 | | |
| Combined total no. sampled | 1289 | | |

Notes

^aPostal Inspection Service data are based on postal fiscal year 1986 information.

^bGAO data are based on employees hired between January 1, 1986, and June 30, 1987.

^cClassified as not being done because claimed telephone inquiries not supported by records.

Why Screening Checks Were Not Being Done

In a 1983 memorandum to Regional Directors of Employee and Labor Relations, the Senior Assistant Postmaster General for the Employee and Labor Relations Group stated that there appeared to be widespread deficiencies in preemployment screening in the areas of prior employment and criminal checks. The August 1987 report by the Postal Inspection Service and our work confirms that preemployment screening is still not being done as required at the locations visited. Some of the reasons given by personnel office staff to us and the Postal Inspection Service are as follows:

- An official at the Washington, D.C., post office said that, in the past, personnel staff had tried to obtain prior employment checks by mailing a form letter to employers. He said that only a few employers responded and, to a large degree, the information obtained did not assist in an assessment of prior work history. Current procedure at the Washington post office is only to send form letters to former employers of applicants whose application forms raise questions regarding past employment. If, on face value, an application form appears to be complete with respect to prior employment history, no checks would be made. For example, if an applicant listed prior employment on his application form and showed that advancement was the reason for changing jobs, no checks would be made. On the other hand, if an applicant stated that he was fired or is now applying for a job with the Service at a substantial decrease in pay, an inquiry would be made with former employers, according to the selecting official. None of the officials responsible for hiring could explain why police checks were not done for all of the newly hired employees as required.
- In Chicago, the Field Director of Human Resources said that personnel staff do not always have sufficient time to do the screening checks before bringing new employees on board. As shown in table 3.1, the Chicago office staff conducted prior employment checks for less than 3 percent of the new employees in the Postal Inspection Service's sample. According to Postal Inspection Service records, police checks were not done for any new hires in this office because the local police department claimed budget constraints limited its ability to provide large numbers of police checks. Service records also show that the State of Illinois has a policy of not providing criminal history information for employment purposes.
- Employment and police screening checks were suspended in Minneapolis when the personnel office lost the service of the one employee doing the work.
- Other reasons given by personnel office staff for not obtaining reference checks from employers at other locations reviewed include low levels of response by employers, a lack of meaningful information in the replies, insufficient time to complete the checks, company policies prohibiting the release of work performance information, and because the information was not requested. According to the Postal Inspection Service, police checks were not done at some locations because police departments would not provide information because of their interpretation of state privacy laws or claimed budget constraints limited their ability to provide the data. Also, in some instances, postal personnel made no attempt to obtain criminal history information.

No Internal Control Procedures to Detect Noncompliance

Our review of the hiring process at the Washington, Denver, and Littleton post offices disclosed that there were no internal control procedures to assure selecting officials that all required screening had been done before a hiring decision was made. Similarly, none of the 12 locations surveyed by the Postal Inspection Service had internal control procedures to detect noncompliance with screening before hiring. Such internal control procedures are not required by the personnel operations handbook.

As said earlier, hiring decisions are made by grouping the available applicants into threes on a hiring work sheet. However, hiring work sheets do not show the results of preemployment screening. Thus, they do not indicate when police and prior employment checks have or have not been done. Also, selecting officials have not been instructed on how to make personal suitability determinations and how to proceed with a hiring action that is not supported by the required screening information. It was difficult to verify that the checks had been made because we found the screening information scattered in various files. There are no procedures in place to alert the selecting officials that the required screening for an applicant before selection has not been done. Therefore, it appears that hiring decisions are commonly made independently of the results of the preemployment screening.

How Screening Checks Were Being Done

As shown in table 3.1 (p. 19), varying amounts of preemployment screening checks were done in all locations except in Philadelphia, where no screening was done. When screening was done, we found that the procedures used to obtain the preemployment information varied by location. The following examples illustrate the variety of procedures used to obtain police and criminal history information:

- In Denver, a private contractor obtained local police checks for the personnel office for a fee of \$9.50 each. The contractor has access to the Colorado Bureau of Investigation's files. This police check is limited to Colorado.
- At the Littleton office, which is an associate office of the Denver post office, personnel staff would visit the local police department, which also uses the Colorado Bureau of Investigation's files, and obtain police checks free of charge.
- At the Washington, D.C., post office, applicants living within the District of Columbia generally obtained their own police checks directly from the local police department. Hiring officials said that the post office has prearranged for District of Columbia applicants to obtain their police

checks in person. However, for residents of Maryland, postal officials at the Washington office would request police checks through the mail from the state police department. The Southern Maryland Division, which includes the Washington post office, issued a memo dated June 18, 1987, to remind hiring officials of its policy on obtaining police checks. The memo stated that it has been the division's policy to forward criminal history requests to police departments in both Maryland and the District of Columbia. Also, the memo stated that when the applicant indicates residence, employment, or schooling in another state during the last 10 years, requests should be made to the appropriate law enforcement jurisdiction. However, we found no indication that the hiring officials at the Washington post office were following this policy.

Procedures for obtaining information from former employers did not vary as much as procedures for police checks. When past employment information was requested by personnel office staffs, a form letter was usually mailed to employers to obtain the desired information. The letters asked for information on an applicant's prior attendance record, sick leave, work performance, safety record, and whether the employer would rehire the applicant. In some instances, employers provided no information, while others provided detailed statements on the former employee's work history. Preemployment investigative files at the Littleton, Colorado, office showed that form letters were sent to the former employers for 8 of the 10 employees in our sample. For each of the eight employees, at least one of their former employers mailed a response back to Littleton. In Washington, letters are sent to former employers only if the application form raises questions regarding past employment history.

Management's Response to Postal Inspection Service's Findings

The Postal Inspection Service's August 1987 audit report on screening caused postal management to consider ways of improving the screening of job applicants. The actions being taken include revisions or clarifications to the screening requirements in the personnel operations handbook P-II. Also, to emphasize the importance of hiring practices and procedures, mandatory training seminars were given during postal fiscal year 1987 to principal hiring staff in all five postal regions. In addition, the Service has begun to automate parts of the hiring process, such as hiring registers and hiring work sheets. By automating these time-consuming manual operations, management anticipates that more time will be available to screen applicants.

Prior Employment Inquiries

The Postal Inspection Service recommended that instructions be issued re-emphasizing the benefits of employment inquiries and suggested that a minimum specified period of work be used to check prior employment. The personnel operations handbook currently does not provide guidance on minimum time periods when checking past employment or number of former employers to contact. Management's response to the recommendation was that the personnel operations handbook will be revised to include a requirement that past employment checks be requested for at least a 5-year period before application.

Police Inquiries

The Postal Inspection Service recommended, and management agreed, that police checks should include the city, county, and state law enforcement agencies and that checks should be made at prior residences if the person has moved within the past 5 years. According to the Manager of the Selection Systems Administration Branch in the Postal Service's Employee Relations Department, both local and state police checks should be obtained. He said that local police checks should be obtained during the initial screening stages when the application is being reviewed, and state police checks should be obtained before the applicant is hired. These clarifications are to be included in the revised personnel operations handbook. Management has also agreed to have division offices request assistance from the Postal Inspection Service when police checks cannot be obtained. No agreement was reached on the Postal Inspection Service's suggestion that fingerprint checks be required as an alternative screening procedure.

To evaluate the feasibility of expanding the police check to include state law enforcement agencies, the Employee Relations Department asked for information from the Service's 74 division offices in October 1987. Completed in January 1988, the survey showed that reasons for not obtaining statewide information, as illustrated below, ranged from restrictive state policies to unwillingness to pay a fee.

- The North Suburban, Illinois, division furnished a copy of a request for information that had been sent to the Chicago Police Department. Stamped on the returned request was a notation that the Illinois Bureau of Identification is not permitted to reveal any information from their files for employment purposes unless required by state law. Division offices in Dallas and Houston reported that the Texas Department of Public Safety will not provide the Postal Service with criminal history information.

- The San Diego division reported that statewide information was not being obtained because the California Department of Justice requires submission of fingerprints and a substantial fee. The San Francisco division reported that they were on the California Department of Justice's list of agencies authorized to receive criminal information and that they furnished fingerprints and paid a fee (\$17.50 per applicant).
- The St. Paul, Minnesota, division reported that information from state records is not requested because they do not want to pay the required fee, \$4.00 per applicant, and have experienced problems in getting the full record on each applicant.
- The Phoenix division reported that hiring officials in Phoenix have not had access to police records (neither local or state) for several years.

Situations similar to those found by the Postal Inspection Service and us were also reported by division offices. For example, the Milwaukee division furnished a copy of an August 1987 letter from the El Segundo, California, Police Department stating that the requested record check could not be done because of a shortage of personnel and the overwhelming number of such requests. The division also furnished information showing that local police departments in Anchorage, Alaska, and Brown County, Wisconsin, could not provide information from their records because of constraints on resources. In St. Louis, applicants are required to obtain, at their own expense, record checks from local police departments. In Seattle, applicants are required to furnish, at their own expense, a completed fingerprint card and to pay \$10.00 for a record check which the Postal Service obtains from a state agency.

Training on Hiring Practices and Procedures

A special training course on hiring practices and procedures was made mandatory and given to the principal staff of hiring offices during postal fiscal year 1987. Representatives from all of the 74 division offices (including mail processing centers) were required to attend. The training emphasized the importance of evaluating the overall suitability of applicants and screening applicants sufficiently in advance of local hiring needs. In addition to re-emphasizing hiring practices and procedures, this 2-day session included training on qualification and suitability determinations, veterans' preference, and other matters relating to hiring practices. The training sessions were completed in August 1987. We attended two of these training sessions and concluded that they were an effective means to re-emphasize the Service's policy regarding preemployment screening.

Automating the Hiring Process

A subsystem to automate the hiring process is being added to the Service's Human Resources Information System (HRIS). HRIS is a computerized system designed to increase the efficiency and effectiveness of processing personnel transactions and data. The hiring and testing subsystem had been installed at about 60 of the key personnel offices as of December 1987. The remainder of the key offices are scheduled to have this subsystem implemented during postal fiscal year 1988.

We observed a demonstration of the hiring and testing subsystem in January 1988. The subsystem should greatly enhance the maintenance of hiring registers and reduce paperwork. The subsystem also contains controls to alert personnel staff that an applicant may not have met all the requirements and qualifications for postal employment. For example, for positions that require the applicant to pass a driving test, the subsystem has a built-in control to alert selecting officials that a person being selected for appointment from a hiring work sheet has not met this qualification. A similar control exists for adjudication of veterans' preference claims. The subsystem currently does not list police and prior employment checks as requirements for making personnel suitability determinations. However, the Service plans to add an edit to the automated hiring and testing system that will alert selecting officials of the status of suitability screening for each applicant.

Conclusions

At 15 post offices throughout the United States, some employees have been hired without having determinations of their suitability for postal employment supported by police and prior employment checks as required by the Postal Service. About 63 percent of the 1,289 employees sampled were hired without information from their former employers. Police checks were not done for 748, or 58 percent, of the employees sampled.

The Postal Service's response to the findings by its Inspection Service essentially re-emphasizes the importance of and expands the requirement that suitability for postal employment be supported by police and prior employment checks. The re-emphasis, which included mandatory training and the agreement to seek help from the Postal Inspection Service in obtaining police checks, could raise the level of compliance with the preemployment screening requirements. We agree that these are positive steps. However, external obstacles to preemployment screening as required by the Postal Service remain, and the actions taken do not include a control procedure to detect noncompliance with screening

requirements before a hiring decision is made and what to do when screening information is not available.

Recommendations to the Postmaster General

To detect noncompliance with the preemployment screening requirements before a hiring decision is made, we recommend that the Postmaster General

- establish a control procedure alerting the selecting official when the required police and prior employment checks have not been done and
- instruct hiring officials on how to proceed with a hiring action when screening checks from police and prior employers are missing. The Postal Service will need to instruct its officials on whether people should be hired absent these checks. If so, we assume management would have to make judgmental decisions based on what is known about the applicant's background and the sensitivity of the position being applied for, but at a minimum perhaps the Postal Service might insist that prior employers always be contacted before a hiring decision is made.

We believe this will supplement and reinforce the message that the Postal Service has broadly conveyed to emphasize the importance of efforts to screen prospective employees. It should also lend some uniformity and high-level direction to the individual hiring offices' efforts to cope with the national trend of declining access to information about prospective employees.

Agency Comments

In commenting on a draft of this report (see app. III), the Service said the findings were consistent with its own internal assessments of the applicant screening process.

In response to our recommendations, the Service said it will add an edit to the automated hiring and testing system that will alert selecting officials of the status of suitability screening—complete, incomplete, or not initiated—for each applicant. In addition, specific guidance will be developed that advises selecting officials how to proceed in the hiring process when there is incomplete information available as a result of limited access to either criminal or work history information.

The Service said that during the past year it has taken steps to improve the overall applicant screening process. The steps taken include providing training to emphasize hiring practices and procedures and preparing revisions to the personnel handbook which incorporated the Postal

Chapter 3
Noncompliance With Preemployment
Screening Is Widespread

Inspection Service's recommendations to establish 5-year minimum requirements for employment and criminal reference checks.

Summary of Preemployment Screening Checks by Location and Type

Table I.1: Summary of Preemployment Screening Checks by Location and Type

| Locations reviewed | Total hired | Number sampled | Percent sampled | Employment checks not done | | Police checks not done | |
|---|--------------|----------------|-----------------|----------------------------|--------------------|------------------------|-------------|
| | | | | Number | Percent | Number | Percent |
| By Postal Inspection Service^a | | | | | | | |
| St. Louis | 703 | 100 | 14.22 | 67 | 67.0 | 73 | 73.0 |
| Indianapolis | 467 | 104 | 22.27 | 22 | 21.2 | 15 | 14.4 |
| Minneapolis | 614 | 100 | 16.29 | 84 | 84.0 | 50 | 50.0 |
| St. Paul | 375 | 100 | 26.67 | 94 | 94.0 | 100 | 100.0 |
| Chicago | 1318 | 110 | 8.35 | 107 | 97.3 | 110 | 100.0 |
| Detroit | 1229 | 100 | 8.14 | 1 | 1.0 | 100 | 100.0 |
| Atlanta | 944 | 102 | 10.81 | 100 | 98.0 | 23 | 22.5 |
| Baltimore | 634 | 103 | 16.25 | 39 | 37.9 | 25 | 24.3 |
| Birmingham | 261 | 97 | 37.16 | 28 | 28.9 | 7 | 7.2 |
| Houston | 984 | 100 | 10.16 | 61 | 61.0 | 100 | 100.0 |
| Philadelphia | 651 | 100 | 15.36 | 100 | 100.0 | 100 | 100.0 |
| Southern Maryland | 312 | 99 | 31.73 | 49 | 49.5 | 26 | 26.3 |
| Postal Inspection Service totals | 8492 | 1215 | 14.31 | 752 | 61.9 | 729 | 60.0 |
| By GAO^b | | | | | | | |
| Washington, D.C. | 556 | 39 | 7.01 | 36 | 92.3 | 13 | 33.3 |
| Denver | 931 | 25 | 2.69 | 25 | 100.0 ^c | 4 | 16.0 |
| Littleton, Co. | 99 | 10 | 10.10 | 2 | 20.0 | 2 | 20.0 |
| GAO totals | 1586 | 74 | 4.67 | 63 | 85.1 | 19 | 25.7 |
| Combined totals | 10078 | 1289 | 12.79 | 815 | 63.2 | 748 | 58.0 |

Notes

^aPostal Inspection Service data are based on postal fiscal year 1986 information.

^bGAO data are based on employees hired between January 1, 1986, and June 30, 1987.

^cClassified as not being done because claimed telephone inquiries are not supported by records.

Request Letter

GLENN ENGLISH, OKLAHOMA, CHAIRMAN
LOUISE M. SLAUGHTER, NEW YORK
BILL GRANT, FLORIDA
EDDIEPHUS TOWNE, NEW YORK
JOHN M. SPRATT, JR., SOUTH CAROLINA
DAVID E. SKAGGS, COLORADO

AL McCANDLESS, CALIFORNIA
AMORY HOUGHTON, JR., NEW YORK
J. DENNIS HASTERT, ILLINOIS

(202) 225-3741

ONE HUNDREDTH CONGRESS
Congress of the United States
House of Representatives
GOVERNMENT INFORMATION, JUSTICE, AND AGRICULTURE
SUBCOMMITTEE
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
B-349-C RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

February 20, 1987

The Honorable Charles A. Bowsher
Comptroller General of the United States
U. S. General Accounting Office
Washington, DC 20548

Dear Mr. Bowsher:

The United States Postal Service has just completed an investigation of the shooting that occurred in the Edmond, Oklahoma, Post Office on August 20, 1986. I have just reviewed a summary of the report of the investigation, and I am very disturbed by the findings. The summary raises serious questions about deficiencies in the manner in which the Postal Service screens applicants for employment.

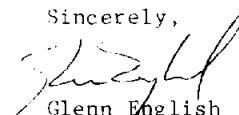
I request that the General Accounting Office immediately undertake a comprehensive review of the Postal Service investigation. There are two major issues that must be addressed by GAO.

First, there is a need for an independent assessment of the shortcomings of the Postal Service's applicant screening and personnel management practices. GAO should determine if the problems identified in the Edmond investigation are widespread or if the deficiencies were isolated events.

Second, there is a need for an independent determination of the adequacy of any steps taken by the Postal Service to avoid future problems. This includes an evaluation of the adequacy of any corrective action identified as needed by the Postal Service as well as an assessment of whether the corrective action has, in fact, been implemented.

In light of the seriousness of this matter, I request that you assign this request the highest possible priority. Thank you for your assistance.

Sincerely,



Glenn English
Chairman

Comments From the Postmaster General on a Draft of This Report



THE POSTMASTER GENERAL
Washington, DC 20260-0010

May 25, 1988

Dear Mr. Fogel:

This refers to your draft report entitled Screening Applicants for Employment.

The report's findings and recommendations are consistent with the Service's own internal assessments.

Over the last twelve months, we have taken numerous steps to improve our overall applicant screening process. For example, we have:

- Conducted field training in each region emphasizing the importance of quality hiring and improving the selection process.

- Prepared revisions to our handbook, Personnel Operations, expanding the guidance on suitability screening and incorporating our Inspection Service's recommendation to establish a five year minimum requirement for employer and criminal history reference checks, including both local and state police records.

- Redesigned our Application for Employment, to facilitate a better application review and ensure compliance with the minimum 5 year work history requirement.

- Explored with outside organizations, including the Office of Personnel Management, the problems associated with obtaining access to criminal history files. Although we have not determined a final approach to this problem, we anticipate some relief in the near future.

Appendix III
Comments From the Postmaster General on a
Draft of This Report

-2-

We are also planning to:

Add an edit to our automated hiring and testing system that will tell selecting officials whether the suitability file for each applicant is complete, incomplete or not initiated.

Develop specific guidance for hiring officials that will tell them how to proceed when there is incomplete information because of limited access to either criminal or work history information.

We believe these measures will bring about substantial improvements in applicant screening and are fully responsive to your report's recommendations.

Thank you for affording us an opportunity to comment on your draft.

Sincerely,


Anthony M. Frank

Mr. Richard L. Fogel
Assistant Comptroller General
United States General Accounting
Office
Washington, D.C. 20548-0001

Requests for copies of GAO reports should be sent to:

U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.

