

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Plaintiff,

v.

Case No. 1:19-cv-2236 (RCL)

UNITED STATES POSTAL SERVICE

Defendant

EXPERT REPORT OF COLLEEN S. VALLEN, CPA, CFF

Submitted on August 30, 2024

I. INTRODUCTION

I was retained by Brown, Goldstein & Levy, counsel to the National Association of Postal Supervisors (“NAPS” or “Plaintiff”),¹ to analyze pay data and related documentation regarding United States Postal Service (“USPS”) employees’ pay. Specifically, I was asked to perform comparisons of the rates of pay between (a) employees in the clerk and carrier grades in the line work force and (b) supervisory and other managerial personnel for the pay periods covered by the USPS’s Fiscal Years 2016-2019 Pay Package. My analysis was to determine whether USPS had achieved the minimum 5% differential in rates of pay it had previously determined to be “adequate and reasonable.”² This report provides a summary of my methodology and findings.

Plaintiff in this matter is NAPS.³ NAPS is a recognized organization of supervisory and other managerial personnel employed by the USPS who are not subject to collective-bargaining agreements.⁴ NAPS represents approximately 27,000 active and retired USPS managers, supervisors, postmasters, and other professionals.⁵

Defendant in this matter is USPS.⁶ USPS is an independent federal agency that delivers 47 percent of the world’s mail to nearly 159 million delivery points.⁷ USPS has approximately 625,000 employees and annual revenue exceeding \$70 billion.⁸

¹ Complaint, ECF No. 1, 1-3 (July 26, 2019).

² *Id.* at 4.

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

II. QUALIFICATIONS

I am a Certified Public Accountant (CPA) and Certified in Financial Forensics (CFF) and am currently a Partner and the Forensic Services Practice Leader at J.A. Montgomery Consulting (“JAM”).

Before JAM, I was a partner at Citrin Cooperman and served as practice leader of forensic services there. Prior to Citrin Cooperman, I worked in the forensic accounting practices at Parente Beard and its predecessor Parente Randolph, Smart and Associates, and Kroll and its predecessor Lindquist Avey Macdonald Baskerville.

I have extensive experience in the analysis, investigation, and review of financial documentation. Over the past 28 years, I have focused on matters including commercial and other damage matters and fraud and forensic investigations.

Law firms, banks, accounting firms, and insurance companies regularly engage me to speak and/or write on topics including financial analyses and fraud and forensic and damage matters.

I have also served as an adjunct professor at Villanova University - Charles Widger School of Law and Drexel University - Thomas R. Kline School of Law.

I have qualified as an expert witness in federal and state courts and have served as an expert witness in arbitrations and mediations as well as in litigation. My curriculum vitae is attached and includes a list of my other expert witness engagements from the past four years as well as my publications from the past ten years. JAM is receiving \$350 per hour for my work in this matter. JAM staff have assisted me on this matter and have billed \$225 per hour for their work. My compensation is not affected by the outcome of this matter.

My conclusions are based upon my skills, knowledge, training, education, and experience in matters of this nature and are provided with a reasonable degree of accounting certainty. In reaching the conclusions, I, and others working under my direction, have relied upon information that is usually and typically relied upon in the forensic accounting profession.

The documents I relied upon in forming my opinions are listed and attached.

My analysis is based on information available and analyzed to date. Specifically, I was provided with payroll data from USPS. I understand this data was produced from USPS's payroll record system.⁹

I reserve the right to my amend the analysis based on any additional or updated information and/or documentation that is provided.

III. BACKGROUND

During the relevant years for my analysis, approximately 49,000 of USPS's 625,000 employees were Executive and Administrative Schedule ("EAS") employees – managerial, supervisory, and other professionals and administrative employees including postmasters, who, under the direction of USPS's approximately 500 executives, managed its approximately 442,000 career and 133,000 non-career employees (carriers, clerks, and others who are represented by four bargaining units: NALC, NRLCA, APWU and NPMHU).¹⁰

The Postal Reorganization Act ("the Act") requires USPS to "provide adequate and reasonable differentials in rates of pay between employees in the clerk and carrier grades in the line work

⁹ I recently received additional documentation as detailed below. This information is in process of being analyzed and if needed I will supplement my report.

Base Salary Data – received on July 25, 2024, and August 21, 2024.

Craft Supervisor Index – received on August 27, 2024.

¹⁰ Complaint, ECF No. 1, 3 (July 26, 2019).

force and [these] supervisory and other managerial personnel”¹¹ – EAS employees whom NAPS represents.

To comply with this directive, USPS developed a mechanism known as the Supervisor Differential Adjustment (“SDA”).¹² The SDA, as it was applied for the FY 2016-2019 pay package, adjusted the salary of FLSA-exempt employees in EAS positions Levels 15 through 19 who directly supervised two or more bargaining unit employees to ensure a minimum 5% salary differential between SDA-eligible EAS employees and the bargaining unit positions they supervised.¹³

To establish the SDA amount, USPS selected benchmark bargaining unit positions from which to calculate the 5% differential.¹⁴

NAPS’s lawsuit contends that, in practice during the years when the USPS’s FY 2016-2019 pay package was in effect, USPS failed to achieve “adequate and reasonable differentials in the rates of pay” between employees in the clerk and carrier grades in the line work force and the EAS supervisory and other managerial personnel above them and did not achieve even the 5% differential in rates of pay that USPS had determined was reasonable.¹⁵

IV. EXECUTIVE SUMMARY

My analysis compared the rates of pay calculated as both Total Base Pay (“TBP”) and Total Base Hourly Rate (“TBHR”) (as described below) between:

¹¹ 39 U.S.C §1004(a).

¹² United States Postal Service’s Post-Hearing Brief to the Factfinding Panel (AR0728-756) at 17-18. (AR0746-47) (Jan. 15, 2019) (hereinafter “Postal Service’s Post-Hearing Brief”).

¹³ Id.

¹⁴ Id.

¹⁵ Complaint, ECF No. 1 (July 26, 2019).

- (A) EAS “Supervisors of Carriers,” consisting of 1) Supervisors of Customer Service, 2) Postmasters (Levels 18-21), and 3) Managers of Customer Service (Levels 17-21),¹⁶ and
- (B) the carriers they supervised (“Carriers”), consisting of bargaining-unit letter carrier employees represented by the National Association of Letter Carriers (“NALC”) or by the National Rural Letter Carriers Association (“NRLCA”).¹⁷

My analysis similarly compared the rates of pay between:

- (A) EAS “Supervisors of Clerks,” consisting of 1) Supervisors of Distribution Operations (Levels 17-21), and 2) Managers of Distribution Operations (Level 19),¹⁸ and
- (B) the clerks they supervised (“Clerks”), consisting of bargaining-unit clerk employees represented by the American Postal Workers Union (“APWU”).¹⁹

I used the payroll data provided by USPS and formulas agreed to by USPS to calculate both TBP and TBHR²⁰ to conduct these comparisons. My findings to date show that USPS failed to achieve its own minimum differential of 5% between thousands of carriers and clerks and thousands of EAS employees who supervised carriers and clerks.

V. ANALYSIS

As detailed in the Index of Documents Relied Upon, I analyzed 12 payroll data files provided by USPS from its payroll records.²¹ These files cover the following groups of employees:

- EAS – Executive and Administrative Schedule (non-bargaining positions),²²

¹⁶ All Levels may not exist in all pay periods. Exhibit 3.

¹⁷ Exhibit 3A.

¹⁸ All Levels may not exist in all pay periods. Exhibit 6.

¹⁹ Exhibit 6A.

²⁰ USPS agreed to the calculation of TBP and Total Base Hours (“TBH”). TBHR is calculated as TBP/TBH.

²¹ The files as provided included data that was in text format versus numerical format. Examples include “ANNUAL-SALARY”, “ACCUM-GROSS-PAY”, and “ACCUM-GROSS-HRS”. I converted the data from text format to numerical format.

²² USPS 3541, 3542 and 3543. Full file names are included on the Index of Documents Relied Upon.

- NALC – Bargaining-unit employees represented by the National Association of Letter Carriers,²³
- NRLCA – Bargaining-unit employees represented by the National Rural Letter Carriers Association,²⁴ and
- APWU – Bargaining-unit employees represented by the American Postal Workers Union.²⁵

For each employee in the groups above, I was provided with pay data for the following periods:

- Jan 2019 (PP2) - Jan 2020 (PP2) (27 Pay Periods) – (“Period 1”),²⁶
- Feb 2020 (PP3) - Jan 2021 (PP2) (26 Pay Periods) – (“Period 2”), and
- Feb 2021 (PP3) – Aug²⁷ 2021 (PP18) (16 Pay Periods) – (“Period 3”).

I analyzed payroll data and information for specific supervisory categories by Occupation Code (“Occ Code”)²⁸ and the employees supervised, directly or indirectly, by those Occ Codes.²⁹ The EAS positions I was asked to review by Counsel were (A) Supervisors of Customer Service, Postmasters, and Managers of Customer Service (collectively “Supervisors of Carriers”); and (B) Supervisors of Distribution Operations and Managers of Distribution Operations (jointly, “Supervisors of Clerks”).

As described further below, for each of the three periods for which USPS provided data sets, I compared the Total Base Pay (“TBP”, described below) and Total Base Hourly Rate (“TBHR”, described below) of the Supervisors of Carriers to the TBP plus 5% and TBHR plus 5% of the Carrier positions the Supervisors of Carriers supervised. Similarly, I compared the TBP and

²³ USPS 3557, 3548 and 3549. USPS provided a corrected file – USPS 3557 - for Period 1 on June 4, 2024 (original data provided 4/23/2024 USPS3547). USPS 3557 includes more than 60,000 new lines of data and a corrected ANNUAL-SALARY for one employee. This file did not need format conversion.

²⁴ USPS 3550, 3551 and 3552.

²⁵ USPS 3544, 3545 and 3546.

²⁶ PP stands for pay period.

²⁷ The last pay period for this period was September.

²⁸ I understand the Occ Code is a unique numeric identifier USPS assigns to each position. The Occ Code information was provided by USPS as part of their payroll documentation.

²⁹ For certain categories of supervisors, I derived the Occ Code based on Job Title.

the TBHR of the Supervisors of Clerks to the TBP plus 5% and TBHR plus 5% of the Clerk positions the Supervisors of Clerks supervised. I added 5% to the Carriers' and Clerks' TBP and TBHR because 5% is the differential USPS has determined to be "adequate and reasonable" under the Act. Put another way, to answer the question, "How many EAS Supervisors of Carriers were paid a TBP or TBHR of at least 5% more than Carriers?" I utilized a comparison of the TBP and TBHR of the Supervisors of Carriers to the TBP plus 5% and TBHR plus 5% of the Carriers. I similarly compared the TBP and TBHR between Supervisors of Clerks and Clerks.

A. Supervisors of Carriers Analysis³⁰

My analysis of the differential in rates of pay between Supervisors of Carriers and the Carriers they supervised is discussed below. The Job Titles/Occ Codes included in this analysis are detailed on Exhibit 4.

To identify Carriers supervised by Supervisors of Carriers, I utilized two indexes provided by USPS to identify the Job Titles/Occ Codes that corresponded with the Supervisors of Carriers on Exhibit 4.³¹ Exhibit 4A is a summary of the Job Titles and Occ Codes for Carriers supervised by Supervisors of Carriers.

I utilized the payroll records provided by USPS to create a data set to perform my analyses of the rates of pay³² for the Supervisors of Carriers and Carriers (the "Supervisors of Carriers Data Set").³³ I compared the Supervisors of Carriers' TBP to the Carriers' TBP plus 5% and

³⁰ Exhibits 1-3A. Numbers in this report and corresponding Exhibits, Charts and Appendices are subject to rounding.

³¹ USPS 3555 (for Postmasters and Managers of Customer Service) and USPS 3556 (for Carriers).

³² I understand USPS's position as it has been explained to NAPS to be that "rates of pay" in 39 U.S.C. 1004(a) refers to the "base salary" each employee received and that this information is reflected on each employee's "Form 50", a form maintained by USPS Human Resources that is stored in a system separate from the payroll system form which the USPS produced the data sets on which I conducted my analyses. USPS has not explained why it believes the Form 50 data is a more accurate reflection of each employee's "base pay" or why it should be relied on instead of the actual payroll data. After USPS indicated this was the pay data its expert would be relying on, NAPS requested the same data and received an initial set of Form 50 data on July 25, 2024, and an additional set (at NAPS's request) on August 21, 2024.

³³ I removed lines with \$0.00 ACCUM-GROSS-PAY.

the Supervisors of Carriers' TBHR to Carriers' TBHR plus 5%. I performed these calculations to determine whether USPS had achieved its determined adequate and reasonable differential between these sets of positions as required under the Act.

My analysis is detailed below:

First, I identified the SDA for Periods 1 through 3 based on the following documentation:

- Occupation Codes Eligible for the Supervisor Differential Adjustment (SDA), Effective TBD (PP-XX2019), and accompanying memo from Bruce Nicholson (Feb. 20, 2019)
 - First Period 27 Pay Periods³⁴ (2019 PP2 – 2020 PP2). EAS SDA Effective on or around March 2, 2019. SDA \$63,774.³⁵
- Occupation Codes Eligible for the Supervisor Differential Adjustment (SDA), Effective February 29, 2020 (PP 06-2020)³⁶
 - Second Period 26 Pay Periods (2020 PP3 – 2021 PP2). EAS SDA Effective on or around January 4, 2020 (Day 1, Week 1, 2020 PP2). SDA \$66,134.
- Occupation Codes Eligible for the Supervisor Differential Adjustment (SDA), Effective February 27, 2021 (PP06-2021)
 - Third Period 16 Pay Periods (2021 PP3 – 2021 PP18). EAS SDA Effective on or around February 27, 2021. SDA \$67,427.³⁷

Second, I calculated TBP and TBHR:

- I calculated TBP using the formula agreed to by USPS as accounting for the amount of base pay employees were paid during each set of pay periods:³⁸ "ACCUM-GROSS-PAY"³⁹ minus total Overtime Pay ("ACCUM-OT-053-PAY", "ACCUM-POT-043-PAY",

³⁴ Pay Period ("PP").

³⁵ Document is attached in the Appendices.

³⁶ This document was provided by Counsel. Document is attached in the Appendices.

³⁷ Document is attached in the Appendices.

³⁸ Email from Eric D Goulian, to Andrew Freeman (July 12, 2024, 12:11 AM).

³⁹ Column W on the payroll files.

“ACCUM-XST-035-PAY”⁴⁰, “ACCUM-NT-DIF-054-PAY” and “ACCUM-SUN-PR-072-PAY”).⁴¹

- For Supervisors of Carriers whose TBP as calculated was less than adjusted Annual Salary and/or the SDA,⁴² I utilized the greater of the adjusted Annual Salary or SDA in my analyses to adjust, for example, if an employee did not work a full year. I made this adjustment so that I could compare the Supervisors of Carriers’ rates of pay to the Carriers’ rates of pay.
 - Three examples of instances in which I made this adjustment:
 - EIN ██████████ – Annual Salary - \$63,774 – SDA - \$63,744 - Calculated TBP - \$44,455.89 – Calculated TBH 2,165.09. Here, I used the employee’s adjusted Annual Salary/adjusted SDA, which were the same.
 - EIN ██████████ – Annual Salary - \$75,895 - SDA - \$63,744 - Calculated TBP - \$53,687.58 - Calculated TBH 1,500. Here, I used the employee’s adjusted Annual Salary.
 - EIN ██████████ – Annual Salary - \$64,578 - SDA - \$63,744 - Calculated TBP - \$9,813.36 - Calculated TBH – 320. Here, I used the employee’s adjusted Annual Salary.
- For Carriers, if TBP calculated was less than adjusted Annual Salary,⁴³ I utilized the adjusted Annual Salary plus 5% in my analyses as described above.
 - Three examples of instances in which I made this adjustment:
 - EIN ██████████ – Annual Salary - \$66,403 – Calculated TBP - \$61,833 – Calculated TBH 2,160. Here, I used the employee’s adjusted Annual Salary.

⁴⁰ I understand “035-PAY” refers to straight time additional work hours, not overtime.

⁴¹ Columns Y, AA, AC, AE and AG on the payroll files.

⁴² Both adjusted for actual pay periods in the data.

⁴³ Adjusted for actual pay periods in the data.

- EIN [REDACTED] – Annual Salary - \$65,037 - Calculated TBP - \$46,517.62 - Calculated TBH 1,500. Here, I used the employee’s adjusted Annual Salary.
- EIN [REDACTED] – Annual Salary - \$50,730, Calculated TBP - \$5,855.41 - Calculated TBH – 240.08. Here, I used the employee’s adjusted Annual Salary.

Third, I calculated TBHR for each comparator employee:

- For Supervisors of Carriers, I calculated TBH as “ACCUM-GROSS-HRS”⁴⁴ minus certain Overtime Hours (“ACCUM-OT-053-HRS”, “ACCUM-POT-043-HRS” and ACCUM-XST-035-HRS”)⁴⁵ which did not include night differential and Sunday premium.
 - I calculated TBHR by dividing TBP (as calculated above) by TBH.
- For Carriers, I performed the same calculation of TBH.
 - I calculated TBHR by dividing TBP (as calculated above) by TBH. I then added 5% to the TBHR.

i. Total Base Pay

I compared TBP (or Annual Salary or SDA if greater) for Supervisors of Carriers with TBP (or Annual Salary if greater) plus 5% for Carriers for each of the pay periods provided. The tables below set out the results of that analysis. Each table is also attached at the end of this report in a larger “landscape” format.

⁴⁴ Column X on the payroll files.

⁴⁵ Columns Z, AB and AD. “035-PAY” refers to straight time additional work hours, not overtime.

1. TBP – Period 1

As discussed above, Period 1 includes 27 pay periods covering January 2019 (PP2) through January 2020 (PP2)⁴⁶ for which the SDA set by the USPS was \$63,774 (effective on or around March 2, 2019).⁴⁷

Because the pay data provided for Period 1 included 27 pay periods (a year plus two weeks) while some data was for a year, I adjusted the data points in my analysis of Period 1 to reflect 27 pay periods in order to compare like-for-like data. For example, Annual Salary and the SDA are adjusted for 27 pay periods.⁴⁸

Table 1 summarizes for Period 1 the number of Supervisors of Carriers who were paid a TBP (or adjusted Annual Salary or adjusted SDA) in thousand-dollar increments beginning at \$1 above the SDA and the number of Carriers whose TBP (or adjusted Annual Salary) plus 5% fell in each increment.⁴⁹ Table 1 identifies the number of Carriers whose TBP (or adjusted Annual Salary) plus 5% (was more than the TBP (or adjusted Annual Salary or adjusted SDA) paid to Supervisors of Carriers. Chart 1 (attached) provides a graphical representation of the data.

Table 1: Period 1 – Distribution of TBP of Supervisors of Carriers and TBP+5% of Carriers above SDA

Employee Category	\$66,228 - \$66,999	\$67,000 - \$67,999	\$68,000 - \$68,999	\$69,000 - \$69,999	\$70,000 - \$70,999	\$71,000 - \$71,999	\$72,000 - \$72,999	\$73,000 - \$73,999	\$74,000 - \$74,999	\$75,000 - \$75,999	\$76,000 - \$76,999	\$77,000 - \$77,999	\$78,000 - \$78,999	\$79,000 - \$79,999	≥\$80,000
Supvs. of Customer Svc. (17-20)	1,130	2,364	1,634	1,688	1,235	717	439	256	183	164	183	151	162	129	1,114
Postmasters (18-21)	62	136	119	155	170	185	274	268	294	232	282	279	290	253	4,207
Mgrs. of Customer Svc. (17-21)	1	1	-	-	7	15	30	34	66	55	141	129	120	89	805
Total Supvs. of Carriers	1,193	2,501	1,753	1,843	1,412	917	743	558	543	451	606	559	572	471	6,126
Carriers	1,895	2,118	1,789	4,065	71,641	20,914	9,854	2,851	6,359	1,663	6,499	1,408	1,135	5,678	8,414

As illustrated in Table 1, over 135,000 Carriers were paid a TBP (or adjusted Annual Salary) that, when increased by 5%, was more than the TBP paid to many thousands of Supervisors

⁴⁶ Periods are referenced by pay date – the actual period does not include full months.

⁴⁷ The SDA effective as of 9/1/2018 was \$63,774. Ex 14 Occupation Codes Eligible for Supervisor Differential Adjustment.09-01-18. Document is attached in the Appendices.

⁴⁸ Example – SDA adjusted for 27 pay periods = $(\$63,774/26)*27 = \$66,227$.

⁴⁹ The full table is included at the end of the report due to size limitations. Exhibits 1A.

of Carriers, and tens of thousands of Carriers were paid a TBP plus 5% that was more than that paid to over 10,000 Supervisors of Carriers. Utilizing an SDA of \$63,774 (adjusted for 27 PP \$66,227) did not result in a 5% differential for many thousands of Supervisors of Carriers. As shown on Exhibit 1A, at least 146,283 Carriers were paid a TBP (or adjusted Annual Salary) that, when increased by 5%, was more than the SDA. Further, per Exhibit 1A, 8,414 Carriers were paid a TBP (or adjusted Annual Salary) plus 5% of \$80,000 or more.

Table 2 illustrates the number of Carriers at or above and the number of Supervisors of Carriers below select TBP Comparison Amounts.

Table 2: Period 1 Analysis – TBP Comparison Amounts⁵⁰

Comparison Amount	Carriers with TBP +5% ≥ Comparison Amount	Supervisors of Carriers with TBP < Comparison Amount
\$70,000	136,416	8,843
\$72,000	43,861	11,172
\$76,000	23,134	13,467

Based on my analysis in Table 1, Table 2, and Exhibit 1A, the SDA mechanism USPS developed did not result in all (or even most) Supervisors of Carriers being paid a TBP of 5% more than tens of thousands of Carriers.

- 13,467 out of 21,801 Supervisors of Carriers were paid a TBP less than \$76,000, while 23,134 Carriers were paid a TBP that, when increased by 5%, was \$76,000 or more.
- 11,172 out of 21,801 Supervisors of Carriers were paid a TBP less than \$72,000, while 43,861 Carriers were paid a TBP that, when increased by 5%, was \$72,000 or more.

⁵⁰ Exhibit 1.

- 8,843 out of 21,801 Supervisors of Carriers were paid a TBP less than \$70,000, while 136,416 Carriers were paid a TBP that, when increased by 5%, was \$70,000 or more.

2. TBP – Period 2

As discussed above, Period 2 includes 26 pay periods covering February 2020 (PP3) through January 2021 (PP2)⁵¹ for which the SDA set by USPS was \$66,134 (effective on or around January 4, 2020).⁵²

The data provided for Period 2 includes 26 pay periods. As such, no pay period adjustment was required.

Table 3 summarizes for Period 2 the number of Supervisors of Carriers who were paid TBP (or adjusted Annual Salary or adjusted SDA)⁵³ in thousand-dollar increments beginning at \$1 above the SDA and the number of Carriers whose TBP (or adjusted Annual Salary) plus 5% fell in each increment.⁵⁴ Table 3 identifies the number of Carriers whose TBP (or adjusted Annual Salary) plus 5% was more than the TBP (or adjusted Annual Salary or adjusted SDA) paid to Supervisors of Carriers. Chart 2 (attached) provides a graphical representation of the data.

Table 3: Period 2 – Distribution of TBP of Supervisors of Carriers and TBP+5% of Carriers above SDA

Employee Category	\$66,135 - \$67,000 -	\$68,000 - \$69,000 -	\$70,000 - \$71,000 -	\$72,000 - \$73,000 -	\$74,000 - \$75,000 -	\$76,000 - \$77,000 -	\$78,000 - \$79,000 -								
	\$66,999	\$67,999	\$68,999	\$69,999	\$70,999	\$71,999	\$72,999	\$73,999	\$74,999	\$75,999	\$76,999	\$77,999	\$78,999	\$79,999	≥\$80,000
Supvs. of Customer Svc. (17-20)	297	877	5,425	2,138	922	526	290	201	174	185	127	140	115	107	829
Postmasters (18-21)	46	86	220	207	148	208	230	252	299	267	316	296	274	260	3,922
Mgrs. of Customer Svc. (17-21)	-	-	4	-	16	26	37	41	74	96	150	145	88	77	682
Total Supvs. of Carriers	343	963	5,649	2,345	1,086	760	557	494	547	548	593	581	477	444	5,433
Carriers	4,525	8,611	56,512	13,542	5,102	2,879	4,617	2,653	4,348	2,519	3,756	2,835	1,853	3,360	2,998

As illustrated in Table 3, tens of thousands of Carriers were paid a TBP (or adjusted Annual Salary) that, when increased by 5%, was more than the TBP paid to over ten thousand Supervisors of Carriers. Utilizing an SDA of \$66,134 did not result in a 5% differential for

⁵¹ Periods are referenced by pay date – the actual period does not include full months.

⁵² Updated EAS MinMax Salary and Supervisor Differential Adjustment Charts. Document attached in the Appendices.

⁵³ In Period 2, an adjusted Annual Salary or adjusted SDA would be equal to the Annual Salary or SDA.

⁵⁴ The full table is included at the end of the report due to size limitations. Exhibits 1B.

thousands of Supervisors of Carriers. As shown on Exhibit 1B, at least 120,110 Carriers were paid a TBP (or adjusted Annual Salary), that when increased by 5%, was more than the SDA. Further, per Exhibit 1B, 2,998 Carriers were paid a TBP (or adjusted Annual Salary) plus 5% of \$80,000 or more.

Table 4 illustrates the number of Carriers at or above and the number of Supervisors of Carriers below select TBP Comparison Amounts.

Table 4: Period 2 Analysis – TBP Comparison Amounts⁵⁵

Comparison Amount	Carriers with TBP +5% ≥ Comparison Amount	Supervisors of Carriers with TBP < Comparison Amount
\$70,000	36,920	9,612
\$72,000	28,939	11,458
\$76,000	14,802	13,604

Based on my analysis in Table 3, Table 4, and Exhibit 1B, the SDA mechanism the USPS developed did not result in all (or even most) Supervisors of Carriers being paid a TBP of 5% more than tens of thousands of Carriers.

- 13,604 out of 21,132 Supervisors of Carriers were paid a TBP less than \$76,000, while 14,802 Carriers were paid a TBP that, when increased by 5%, was \$76,000 or more.
- 11,458 out of 21,132 Supervisors of Carriers were paid a TBP less than \$72,000, while 28,939 Carriers were paid a TBP that, when increased by 5%, was \$72,000 or more.
- 9,612 out of 21,132 Supervisors of Carriers were paid a TBP less than \$70,000, while 36,920 Carriers were paid a TBP that, when increased by 5%, was \$70,000 or more.

⁵⁵ Exhibit 1.

3. TBP – Period 3

As discussed above, Period 3 includes 16 pay periods covering February 2021 (PP3) through August 2021 (PP18)⁵⁶ for which the SDA set by USPS was \$67,427 (effective on or around February 27, 2021).⁵⁷ Because Period 3 was substantially shorter than Periods 1 and 2, the TBP earned during Period 3 was substantially less across the board.

Because the pay data provided for Pay Period 3 included 16 pay periods (not a full year) while some data was for a year, I adjusted the data points in my analysis of Period 3 to reflect 16 pay periods in order to compare like-for-like data. For example, Annual Salary and the SDA are adjusted for 16 pay periods.⁵⁸

Table 5 summarizes for Period 3 the number of Supervisors of Carriers who were paid a TBP (or adjusted Annual Salary or adjusted SDA) in thousand-dollar increments beginning at \$1 above the SDA and the number of Carriers whose TBP (or adjusted Annual Salary) plus 5% fell in each increment.⁵⁹ Table 5 identifies the number of Carriers whose TBP (or adjusted Annual Salary) plus 5% was more than the TBP (or adjusted Annual Salary or adjusted SDA) paid to Supervisors of Carriers. Chart 3 (attached) provides a graphical representation of the data.

Table 5: Period 3 – Distribution of TBP of Supervisors of Carriers and TBP+5% of Carriers above SDA

Employee Category	\$41,495 -	\$42,000 -	\$43,000 -	\$44,000 -	\$45,000 -	\$46,000 -	\$47,000 -	\$48,000 -	\$49,000 -	\$50,000 -	\$51,000 -	\$52,000 -	\$53,000 -	≥\$54,000
	\$41,999	\$42,999	\$43,999	\$44,999	\$45,999	\$46,999	\$47,999	\$48,999	\$49,999	\$50,999	\$51,999	\$52,999	\$53,999	
Supvs. of Customer Svc. (17-20)	734	5,349	1,784	1,149	658	325	293	183	176	129	110	361	32	48
Postmasters (18-21)	81	337	259	351	413	407	491	445	384	356	336	292	291	2,213
Mgrs. of Customer Svc. (17-21)	-	3	13	41	74	132	201	138	132	91	87	69	75	309
Total Supvs. of Carriers	815	5,689	2,056	1,541	1,145	864	985	766	692	576	533	722	398	2,570
Carriers	2,918	48,683	29,254	6,274	5,465	5,827	4,446	5,003	4,285	2,915	1,120	548	219	125

⁵⁶ Periods are referenced by pay date – the actual period does not include full months.

⁵⁷ The SDA effective as of 2/27/2021 was \$67,427. USPS_SDA_02-27-2021. Document is attached in the Appendices.

⁵⁸ Example – SDA adjusted for 16 pay periods = (\$67,427/26)*16 = \$41,494.

⁵⁹ The full table is included at the end of the report due to size limitations. Exhibit 1C.

As illustrated in Table 5, tens of thousands of Carriers were paid a TBP (or adjusted Annual Salary) that, when increased by 5%, was more than the TBP paid to many thousands of Supervisors of Carriers. Utilizing an SDA of \$67,427 (adjusted for 16 PP \$41,494) did not result in a 5% differential for many Supervisors of Carriers. As shown on Exhibit 1C, at least 117,802 Carriers were paid a TBP (or adjusted Annual Salary) that, when increased by 5%, was more than the SDA. Further, per Exhibit 1C, 125 Carriers were paid a TBP (or adjusted Annual Salary) plus 5% of \$54,000 or more.

Table 6 illustrates the number of Carriers at or above and the number of Supervisors of Carriers below select TBP Comparison Amounts.

Table 6: Period 3 Analysis – TBP Comparison Amounts⁶⁰

Comparison Amount	Carriers with TBP +5% ≥ Comparison Amount	Supervisors of Carriers with TBP < Comparison Amount
\$44,000	36,227	9,411
\$46,000	24,488	12,097
\$47,000	18,661	12,961

Based on my analysis in Table 5, Table 6, and Exhibit 1C, the SDA mechanism the USPS developed did not result in all (or even most) Supervisors of Carriers being paid a TBP of 5% more than tens of thousands of Carriers.

- 12,961 out of 20,203 Supervisors of Carriers were paid a TBP less than \$47,000, while 18,661 Carriers were paid a TBP that, when increased by 5%, was \$47,000 or more.
- 12,097 out of 20,203 Supervisors of Carriers were paid a TBP less than \$46,000, while 24,488 Carriers were paid a TBP that, when increased by 5%, was \$46,000 or more.

⁶⁰ Exhibit 1.

- 9,411 out of 20,203 Supervisors of Carriers were paid a TBP less than \$44,000, while 36,227 Carriers were paid a TBP that, when increased by 5%, was \$44,000 or more.

ii. Total Base Hourly Rate (TBHR)

I compared TBHR for Supervisors of Carriers with TBHR plus 5% for Carriers for each of the pay periods provided. The tables below set out the results of that analysis. Each table is also attached at the end of this report in a larger “landscape” format.

1. TBHR – Period 1

Table 7 summarizes for Period 1 the number of Supervisors of Carriers who were paid a TBHR in dollar increments beginning at \$22.00 and the number of Carriers whose TBHR plus 5% fell in each increment.⁶¹ Table 7 identifies the number of Carriers whose TBHR plus 5% was more than the TBHR paid to Supervisors of Carriers. Chart 4 (attached) provides a graphical representation of the data.

Table 7: Period 1 – Distribution of TBHR of Supervisors of Carriers and TBHR+5% of Carriers

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	≥\$38.00
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	
Supvs. of Customer Svc. (17-20)	43	68	91	197	213	237	294	298	3,165	3,686	1,730	697	392	354	279	224	753
Postmasters (18-21)	3	3	9	14	133	98	39	79	241	376	547	617	591	558	576	467	3,206
Mgrs. of Customer Svc. (17-21)	-	-	-	-	-	1	-	-	3	23	75	127	199	219	153	122	571
Total Supvs. of Carriers	46	71	100	211	346	336	333	377	3,409	4,085	2,352	1,441	1,182	1,131	1,008	813	4,530
Carriers	12,649	16,985	8,982	5,912	4,663	4,962	5,812	6,046	7,916	11,918	93,015	21,462	1,793	361	113	38	59

As illustrated in Table 7, over 115,000 Carriers were paid a TBHR that, when increased by 5%, was more than the TBHR paid to many thousands of Supervisors of Carriers. As shown in Exhibit 2A, thousands of Carriers were paid a TBHR, that when increased by 5%, was \$32.00 or more while thousands of Supervisors of Carriers were paid a TBHR of less than \$32.00.

Table 8 illustrates the number of Carriers at or above and the number of Supervisors of Carriers below select TBHR Comparison Amounts.

⁶¹ Exhibit 2A.

Table 8: Period 1 Analysis – TBHR Comparison Amounts⁶²

Comparison Amount	Carriers with TBHR +5% ≥ Comparison Amount	Supervisors of Carriers with TBHR < Comparison Amount
\$32.00	116,841	9,344
\$33.00	23,826	11,696
\$34.00	2,364	13,137

Based on my analysis in Table 7, Table 8, and Exhibit 2A, the SDA mechanism USPS developed did not result in all (or even most) Supervisors of Carriers being paid a TBHR of 5% more than thousands of Carriers.

- 13,137 out of 21,801 Supervisors of Carriers were paid a TBHR less than \$34.00, while 2,364 Carriers were paid a TBHR that, when increased by 5%, was \$34.00 or more.
- 11,696 out of 21,801 Supervisors of Carriers were paid a TBHR less than \$33.00, while 23,826 Carriers were paid a TBHR that, when increased by 5%, was \$33.00 or more.
- 9,344 out of 21,801 Supervisors of Carriers were paid a TBHR less than \$32.00, while 116,841 Carriers were paid a TBHR that, when increased by 5%, was \$32.00 or more.

2. TBHR – Period 2

Table 9 summarizes for Period 2 the number of Supervisors of Carriers who were paid a TBHR in dollar increments beginning at \$22.00 and the number of Carriers whose TBHR plus 5% fell in each increment.⁶³ Table 9 identifies the number of Carriers whose TBHR plus 5% was more than the TBHR paid to Supervisors of Carriers. Chart 5 (attached) provides a graphical representation of the data.

⁶² Exhibit 2.

⁶³ Exhibit 2B.

Table 9: Period 2 – Distribution of TBHR of Supervisors of Carriers and TBHR+5% of Carriers

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	≥\$38.00
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	
Supvs. of Customer Svc. (17-20)	-	2	9	13	36	66	178	302	431	4,533	3,246	1,375	549	372	277	232	731
Postmasters (18-21)	-	1	2	6	17	141	72	45	78	339	330	497	612	570	589	529	3,514
Mgrs. of Customer Svc. (17-21)	-	-	-	-	-	-	-	-	-	1	12	47	134	226	240	153	623
Total Supvs. of Carriers	-	3	11	19	53	207	250	347	509	4,873	3,588	1,919	1,295	1,168	1,106	914	4,868
Carriers	12,738	12,877	16,011	8,500	5,841	4,317	4,250	5,299	6,576	9,156	60,771	46,571	7,303	1,552	400	147	116

As illustrated in Table 9, tens of thousands of Carriers were paid a TBHR that, when increased by 5%, was more than the TBHR paid to thousands of Supervisors of Carriers. As shown in Exhibit 2B, tens of thousands of Carriers were paid a TBHR that, when increased by 5%, was \$33.00 or more, while many thousands of Supervisors of Carriers were paid a TBHR of less than \$33.00.

Table 10 illustrates the number of Carriers at or above and the number of Supervisors of Carriers below select TBHR Comparison Amounts.

Table 10: Period 2 Analysis – TBHR Comparison Amounts⁶⁴

Comparison Amount	Carriers with TBHR +5% ≥ Comparison Amount	Supervisors of Carriers with TBHR < Comparison Amount
\$32.00	116,860	6,273
\$33.00	56,089	9,861
\$34.00	9,518	11,780

Based on my analysis in Table 9, Table 10, and Exhibit 2B, despite the SDA mechanism the USPS developed, many thousands of Supervisors of Carriers were not paid a TBHR of 5% more than tens of thousands of Carriers.

- 11,780 out of 21,131 Supervisors of Carriers were paid a TBHR less than \$34.00, while 9,518 Carriers were paid a TBHR that, when increased by 5%, was \$34.00 or more.

⁶⁴ Exhibit 2.

- 9,861 out of 21,131 Supervisors of Carriers were paid a TBHR less than \$33.00, while 56,089 Carriers were paid a TBHR that, when increased by 5%, was \$33.00 or more.
- 6,273 out of 21,131 Supervisors of Carriers were paid a TBHR less than \$32.00, while 116,860 Carriers were paid a TBHR that, when increased by 5%, was \$32.00 or more.

3. TBHR – Period 3

Table 11 summarizes for Period 3 the number of Supervisors of Carriers who were paid a TBHR in dollar increments beginning at \$22.00 and the number of Carriers whose TBHR plus 5% fell in each increment.⁶⁵ Table 9 identifies the number of Carriers who were paid a TBHR plus 5% that was more than the TBHR paid to Supervisors of Carriers. Chart 6 (attached) provides a graphical representation of the data.

Table 11: Period 3 – Distribution of TBHR of Supervisors of Carriers and TBHR+5% of Carriers

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	≥\$38.00
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Customer Svc. (17-20)	-	1	-	1	-	8	9	7	9	6	2,166	5,414	1,692	860	404	315	912
Postmasters (18-21)	-	-	-	-	-	19	140	70	47	58	178	442	404	522	553	573	4,028
Mgrs. of Customer Svc. (17-21)	-	-	-	-	-	-	-	-	-	-	-	12	36	89	200	220	808
Total Supvs. of Carriers	-	1	-	1	-	27	149	77	56	64	2,344	5,868	2,132	1,471	1,157	1,108	5,748
Carriers	14,737	15,114	11,747	14,562	9,761	7,397	4,674	3,817	4,666	7,238	9,069	82,725	21,075	5,285	1,322	425	321

As illustrated in Table 11, tens of thousands of Carriers were paid a TBHR that, when increased by 5%, was more than the TBHR paid to thousands of Supervisors of Carriers. As shown in Exhibit 2C, tens of thousands of Carriers were paid a TBHR that, when increased by 5%, was \$34.00 or more while thousands of Supervisors of Carriers were paid a TBHR of less than \$34.00.

Table 12 illustrates the number of Carriers at or above and the number of Supervisors of Carriers below select TBHR Comparison Amounts.

⁶⁵ Exhibit 2C.

Table 12: Period 3 Analysis –TBHR Comparison Amounts⁶⁶

Comparison Amount	Carriers with TBHR +5% ≥ Comparison Amount	Supervisors of Carriers with TBHR < Comparison Amount
\$33.00	111,153	2,719
\$34.00	28,428	8,587
\$35.00	7,353	10,719

Based on my analysis in Table 11, Table 12, and Exhibit 2C, the SDA mechanism the USPS developed did not result in all (or even most) Supervisors of Carriers being paid a TBHR of 5% more than many thousands of Carriers.

- 10,719 out of 20,203 Supervisors of Carriers were paid a TBHR less than \$35.00, while 7,353 Carriers were paid a TBHR that, when increased by 5%, was \$35.00 or more.
- 8,587 out of 20,203 Supervisors of Carriers were paid a TBHR less than \$34.00, while 28,428 Carriers were paid a TBHR that, when increased by 5%, was \$34.00 or more.
- 2,719 out of 20,203 Supervisors of Carriers were paid a TBHR less than \$33.00, while 111,53 Carriers were paid a TBHR that, when increased by 5%, was \$33.00 or more.

iii. Summary

My comparison of TBP paid to Supervisors of Carriers to TBP paid to Carriers plus 5% and my comparison of TBHR paid to Supervisors of Carriers to TBHR paid to Carriers plus 5% both show that the SDA as calculated by USPS did not, in many thousands of instances, achieve the minimum 5% differential USPS had determined to be adequate and reasonable between carriers and the supervisory and managerial personnel above them. Not only was the minimum 5% differential not achieved in thousands of instances, but my analysis also shows that thousands of Supervisors of Carriers were paid a TBP and TBHR less than thousands of the Carrier they supervised.

⁶⁶ Exhibit 2.

B. Supervisors of Clerks Analysis⁶⁷

My analysis of the differential in rates of pay between Supervisors of Clerks and the Clerks they supervised is discussed below. The Job Titles/Occ Codes included in this analysis are detailed on Exhibit 6.

To identify Clerks supervised by Supervisors of Clerks,⁶⁸ I utilized two indexes provided by USPS to identify the Job Titles/Occ Codes that corresponded with the Supervisors of Clerks on Exhibit 6.⁶⁹ Exhibit 6A is a summary of the Job Titles and Occ Codes for Clerks supervised by Supervisors of Clerks.

I utilized the payroll records provided by USPS to create a data set to perform my analyses of the rates of pay⁷⁰ for the Supervisors of Clerks and the Clerks (“Supervisors of Clerks Data Set”).⁷¹ I compared the Supervisors of Clerks’ TBP to the Clerks’ TBP plus 5% and the Supervisors of Clerks’ TBHR to the Clerks’ TBHR plus 5%. I performed these calculations to determine whether USPS had achieved the 5% differential between these sets of positions that it had determined to be adequate and reasonable.

⁶⁷ Exhibits 4-6A.

⁶⁸ I have been informed that some Supervisors of Customer Service, Postmasters and Managers of Customer Service also supervise Clerks. Since those positions are already included in the Supervisors of Carriers analysis, they are omitted here to avoid duplication.

⁶⁹ USPS 3555 (for Managers of Distribution Operations) and USPS 3556 (for Clerks). In the data produced by USPS, Clerks are designated at “APWU”.

⁷⁰ I understand USPS’s position as it has been explained to NAPS to be “rates of pay” in 39 U.S.C. 1004(a) refers to the “base salary” each employee received and that this information is reflected on each employee’s “Form 50,” a form maintained by USPS Human Resources that is stored in a system separate from the payroll system from which the USPS produced the data sets on which I conducted my analyses. USPS has not explained why it believes the Form 50 data is a more accurate reflection of each employee’s “base pay” or why it should be relied on instead of the actual payroll data. After USPS indicated this was the pay data its expert would be relying on, NAPS requested the same data and received an initial set of Form 50 data on July 25, 2024, and an additional set (at NAPS’s request) on August 21, 2024.

⁷¹ I removed lines with \$0.00 ACCUM-GROSS-PAY.

My analysis is based on TBP and TBHR. I calculated TBP and TBHR in the Supervisors of Clerks Analysis in the same manner as described in the Supervisors of Carriers Analysis above.⁷²

As with the Supervisors of Carriers, for Supervisors of Clerks whose TBP as calculated was less than adjusted Annual Salary and/or the SDA,⁷³ I utilized the greater of the adjusted Annual Salary or SDA in my analysis to adjust, for example, if an employee did not work a full year. I made this adjustment so that I was able to compare the Supervisors of Clerks' rates of pay to the Clerks' rates of pay.

- Three examples of instances in which I made this adjustment:
 - EIN ██████████ – Annual Salary - \$64,373 – SDA - \$63,744 - Calculated TBP - \$63,610.83 – Calculated Total TBH 2,160. Here, I used the employee's adjusted Annual Salary.
 - EIN ██████████ – Annual Salary - \$67,017 - SDA - \$63,744 - Calculated TBP - \$48,299.07 - Calculated TBH 1,477.77. Here, I used the employee's adjusted Annual Salary.
 - EIN ██████████ – Annual Salary - \$66,382 - SDA - \$63,744 - Calculated TBP - \$7,472.65 - Calculated TBH – 240. Here, I used the employee's adjusted Annual Salary.

For Clerks, if TBP calculated was less than adjusted Annual Salary,⁷⁴ I utilized the adjusted Annual Salary plus 5% in my analysis as described above.

- Three examples of instances in which I made this adjustment:
 - EIN ██████████ – Annual Salary - \$41,497 – Calculated Total Base Pay - \$37,821.61 – Calculated Total Base Hours 2,184. Here, I used the employee's adjusted Annual Salary.

⁷² See pages 8-11.

⁷³ Both adjusted for actual pay periods in the data.

⁷⁴ Adjusted for actual pay periods in the data.

- EIN ██████████ – Annual Salary - \$45,345 - Calculated Total Base Pay - \$31,414.20 - Calculated Total Base Hours 1,450.77. Here, I used the employee’s adjusted Annual Salary.
- EIN ██████████ – Annual Salary - \$60,737, Calculated Total Base Pay - \$4,622.72 - Calculated Total Base Hours – 158.31. Here, I used the employee’s adjusted Annual Salary.

i. Total Base Pay

I compared TBP (or Annual Salary or SDA if greater) for the Supervisors of Clerks with TBP (or Annual Salary if greater) plus 5% for Clerks for each of the pay periods provided. The tables below set out the results of that analysis. Each table is also attached at the end of this report in a larger “landscape” format.

1. TBP – Period 1

As discussed above, Period 1 includes 27 pay periods covering January 2019 (PP2) through January 2020 (PP2)⁷⁵ for which the SDA set by the USPS was \$63,774 (effective on or around March 2, 2019).⁷⁶

Because the pay data provided for Period 1 included 27 pay periods (a year plus two weeks), while some data was for a year, I adjusted the data points in my analysis of Period 1 to reflect 27 pay periods in order to compare like-for-like data. For example, Annual Salary and the SDA are adjusted for 27 pay periods.⁷⁷

Table 13 summarizes for Period 1 the number of Supervisors of Clerks who were paid a TBP (or adjusted Annual Salary or adjusted SDA) in thousand-dollar increments beginning at \$1 above the SDA and the number of Clerks whose TBP or adjusted Annual Salary) plus 5% fell

⁷⁵ Periods are referenced by pay date – the actual period does not include full months.

⁷⁶ The SDA effective as of 9/1/2018 was \$63,774. Ex 14 Occupation Codes Eligible for Supervisor Differential Adjustment.09-01-18. Document is attached in the Appendices.

⁷⁷ Example – SDA adjusted for 27 pay periods = $(\$63,774/26)*27 = \$66,227$.

in each increment.⁷⁸ Table 13 identifies the number of Clerks whose TBP (or adjusted Annual Salary) plus 5% was more than the TBP (or adjusted Annual Salary or adjusted SDA) paid to Supervisors of Clerks. Chart 7 (attached) provides a graphical representation of the data.

Table 13: Period 1 – Distribution of TBP of Supervisors of Clerks and TBP+5% of Clerks above SDA

Employee Category	\$66,228 -	\$67,000 -	\$68,000 -	\$69,000 -	\$70,000 -	\$71,000 -	\$72,000 -	\$73,000 -	\$74,000 -	\$75,000 -	\$76,000 -	≥\$77,000	
	\$66,227	\$66,999	\$67,999	\$68,999	\$69,999	\$70,999	\$71,999	\$72,999	\$73,999	\$74,999	\$75,999		
Supvs. of Distribution Ops. (17-20)	196	264	398	334	455	289	154	86	69	66	63	56	964
Mgrs. of Distribution Ops. (19)	-	1	-	3	2	2	3	4	5	4	6	6	30
Total Supvs. of Clerks	196	265	398	337	457	291	157	90	74	70	69	62	994
Clerks	205	6,513	7,456	4,548	1,673	628	92	33	17	10	12	11	17

As illustrated in Table 13, thousands of Clerks were paid a TBP (or adjusted Annual Salary) plus 5% that was more than that paid to over a thousand Supervisors of Clerks. Utilizing an SDA of \$63,774 (Adjusted for 27 PP \$66,227) did not result in a 5% differential for many Supervisors of Clerks. As shown on Exhibit 4A, at least 21,010 Clerks were paid a TBP or (an adjusted Annual Salary) that, when increased by 5%, was more than the SDA.

Table 14 illustrates the number of Clerks at or above and the number of Supervisors of Clerks below select TBP Comparison Amounts.

Table 14: Period 1 Analysis – TBP Comparison Amounts⁷⁹

Comparison Amount	Clerks with TBP +5% ≥ Comparison Amount	Supervisors of Clerks with TBP < Comparison Amount
\$68,000	7,041	859
\$69,000	2,493	1,196
\$70,000	820	1,653

⁷⁸ The full table is included at the end of the report due to size limitations. Exhibits 4A.

⁷⁹ Exhibit 4.

Based on my analysis in Table 13, Table 14, and Exhibit 4A, the SDA mechanism the USPS developed did not result in all Supervisors of Clerks being paid a TBP of 5% more than Clerks.

- 1,653 out of 3,460 Supervisors of Clerks were paid a TBP less than \$70,000, while 820 Clerks were paid a TBP that, when increased by 5%, was \$70,000 or more.
- 1,196 out of 3,460 Supervisors of Clerks were paid a TBP less than \$69,000, while 2,493 Clerks were paid a TBP that, when increased by 5%, was \$69,000 or more.
- 859 out of 3,460 Supervisors of Clerks were paid a TBP less than \$68,000, while 7,041 Clerks were paid a TBP that, when increased by 5%, was \$68,000 or more.

2. TBP – Period 2

As discussed above, Period 2 includes 26 pay periods covering February 2020 (PP3) through January 2021 (PP2)⁸⁰ for which the SDA set by the USPS was \$66,134 (effective on or around January 4, 2020).⁸¹

The data provided for Period 2 includes 26 pay periods. As such, no pay period adjustment was required.

Table 15 summarizes for Period 2 the number of Supervisors of Clerks who were paid a TBP (or adjusted Annual Salary or adjusted SDA) in thousand-dollar increments beginning at \$1 above the SDA and the number of Clerks whose TBP (or adjusted Annual Salary) plus 5% fell in each increment.⁸² Table 15 identifies the number of Clerks whose TBP (or adjusted Annual Salary) plus 5% was more than the TBP (or adjusted Annual Salary or adjusted SDA) paid to Supervisors of Clerks. Chart 8 (attached) provides a graphical representation of the data.

Table 15: Period 2 – Distribution of TBP of Supervisors of Clerks and TBP+5% of Clerks above SDA

Employee Category	\$66,135 - \$66,999	\$67,000 - \$67,999	\$68,000 - \$68,999	\$69,000 - \$69,999	\$70,000 - \$70,999	\$71,000 - \$71,999	\$72,000 - \$72,999	\$73,000 - \$73,999	\$74,000 - \$74,999	\$75,000 - \$75,999	\$76,000 - \$76,999	\$77,000 - \$77,999	\$78,000 - \$78,999	≥\$79,000
Supvs. of Distribution Ops. (17-19)	25	160	1,118	552	214	106	61	79	62	54	61	46	64	667
Mgrs. of Distribution Ops. (19)	-	1	3	3	2	7	1	4	5	9	2	4	5	24
Total Supvs. of Clerks	25	161	1,121	555	216	113	62	83	67	63	63	50	69	691
Clerks	14,895	3,333	6,083	1,080	236	71	45	17	10	7	3	5	5	7

⁸⁰ Periods are referenced by pay date – the actual period does not include full months.

⁸¹ Board Memo 043-2020 Updated EAS MinMax Salary and Supervisor Differential Adjustment Charts. Document attached in the Appendices.

⁸² The full table is included at the end of the report due to size limitations. Exhibit 4B.

As illustrated in Table 15, thousands of Clerks were paid a TBP (or adjusted Annual Salary) plus 5% that was more than that paid to thousands of Supervisors of Clerks. Utilizing an SDA of \$66,134 did not result in the 5% differential for many Supervisors of Clerks. As shown on Exhibit 4B, at least 25,795 Clerks were paid a TBP (or adjusted Annual Salary), that when increased by 5%, was more than the SDA.

Table 16 illustrates the number of Clerks at or above and the number of Supervisors of Clerks below select TBP Comparison Amounts.

Table 16: Period 2 Analysis – TBP Comparison Amounts⁸³

Comparison Amount	Clerks with TBP +5% ≥ Comparison Amount	Supervisors of Clerks with TBP < Comparison Amount
\$68,000	7,569	186
\$69,000	1,486	1,307
\$70,000	406	1,862

Based on my analysis in Table 15, Table 16, and Exhibit 4B, the SDA mechanism USPS developed did not result in all Supervisors of Clerks being paid a TBP of 5% more than Clerks.

- 1,862 out of 3,339 Supervisors of Clerks were paid a TBP less than \$70,000, while 406 Clerks were paid a TBP that, when increased by 5%, was \$70,000 or more.
- 1,307 out of 3,339 Supervisors of Clerks were paid a TBP less than \$69,000, while 1,486 Clerks were paid a TBP that, when increased by 5%, was \$69,000 or more.
- 186 out of 3,339 Supervisors of Clerks were paid a TBP less than \$68,000, while 7,569 Clerks were paid a TBP that, when increased by 5%, was \$68,000 or more.

⁸³ Exhibit 4.

3. TBP – Period 3

As discussed above, Period 3 includes 16 pay periods covering February 2021 (PP3) through August 2021 (PP18)⁸⁴ for which the SDA set by the USPS was \$67,427 (effective on or around February 27, 2021).

Because the pay data provided for Pay Period 3 included 16 pay periods (not a full year), while some other data provided was for a year, I adjusted the other data points in my analysis of Period 1 to reflect 16 pay periods in order to compare like-for-like data. For example, Annual Salary and the SDA are adjusted for 16 pay periods.⁸⁵

Table 17 summarizes for Period 3 the number of Supervisors of Clerks who were paid a TBP (or adjusted Annual Salary or adjusted SDA) in thousand-dollar increments beginning at \$1 above the SDA and the number of Clerks whose TBP or adjusted Annual Salary) plus 5% fell in each increment.⁸⁶ Table 17 identifies the number of Clerks who were paid a TBP (or adjusted Annual Salary) plus 5% that was more than the TBP (or adjusted Annual Salary or adjusted SDA) paid to Supervisors of Clerks. Chart 9 (attached) provides a graphical representation of the data.

Table 17: Period 3 – Distribution of TBP of Supervisors of Clerks and TBP+5% of Clerks above SDA

Employee Category	\$41,494 - \$42,000 - \$43,000 - \$44,000 - \$45,000 - \$46,000 - \$47,000 - \$48,000 - \$49,000 - \$50,000 - \$51,000 -												
	\$41,494	\$41,999	\$42,999	\$43,999	\$44,999	\$45,999	\$46,999	\$47,999	\$48,999	\$49,999	\$50,999	\$51,999	≥\$52,000
Supvs. of Distribution Ops. (17-21)	71	114	1,244	375	246	138	83	110	99	72	93	77	360
Mgrs. of Distribution Ops. (19)	-	1	4	5	7	6	11	4	6	1	2	3	18
Total Supvs. of Clerks	71	115	1,248	380	253	144	94	114	105	73	95	80	378
Clerks	7	4,090	7,904	1,396	145	48	26	12	8	2	2	5	5

As illustrated in Table 17, thousands of Clerks were paid a TBP (or adjusted Annual Salary) plus 5% that was more than the TBP paid to thousands of Supervisors of Clerks. Utilizing an

⁸⁴ Periods are referenced by pay date – the actual period does not include full months.

⁸⁵ Example – SDA adjusted for 16 pay periods = (\$67,427/26)*16 = \$41,494.

⁸⁶ The full table is included at the end of the report due to size limitations. Exhibits 2A also contains additional detail related to this table.

SDA of \$67,427 (adjusted for 16 PP: \$41,494) did not result in the 5% differential for many (or even most) Supervisors of Clerks. As shown on Exhibit 4C, at least 13,643 Clerks were paid a TBP (or adjusted Annual Salary), that when increased by 5% was more than the SDA.

Table 18 illustrates the number of Clerks at or above and the number of Supervisors of Clerks below select TBP Comparison Amounts.

Table 18: Period 3 Analysis – TBP Comparison Amounts⁸⁷

Comparison Amount	Clerks with TBP +5% ≥ Comparison Amount	Supervisors of Clerks with TBP < Comparison Amount
\$42,000	9,553	186
\$43,000	1,649	1,434
\$44,000	253	1,814

Based on my analysis in Table 17, Table 18, and Exhibit 4C, the SDA mechanism USPS developed did not result in all Supervisors of Clerks being paid a TBP of 5% more than Clerks.

- 1,814 out of 3,150 Supervisors of Clerks were paid a TBP less than \$44,000, while 253 Clerks were paid a TBP that, when increased by 5%, was \$44,000 or more.
- 1,434 out of 3,150 Supervisors of Clerks were paid a TBP less than \$43,000, while 1,649 Clerks were paid a TBP that, when increased by 5%, was \$43,000 or more.
- 186 out of 3,150 Supervisors of Clerks were paid a TBP less than \$42,000, while 9,553 Clerks were paid a TBP that, when increased by 5%, was \$42,000 or more.

ii. Total Base Hourly Rate

I compared TBHR for Supervisors of Clerks with TBHR plus 5% for Clerks for each of the pay periods provided. The tables below set out the results of that analysis. Each table is also attached at the end of this report in a larger “landscape” format.

⁸⁷ Exhibit 4.

1. TBHR – Period 1

Table 19 summarizes for Period 1 the number of Supervisors of Clerks who were paid a TBHR and Clerks who were paid a TBHR in dollar increments beginning at \$22.00 and the number of Clerks whose TBHR plus 5% fell in each increment.⁸⁸ Table 19 identifies the number of Clerks whose TBHR plus 5% was more than the TBHR paid to Supervisors of Clerks. Chart 10 (attached) provides a graphical representation of the data.

Table 19: Period 1 – Distribution of TBHR of Supervisors of Clerks and TBHR+5% of Clerks

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Distribution Ops. (17-20)	9	14	22	29	50	49	47	55	584	888	337	190	135	131	118	144	585
Mgrs. of Distribution Ops. (19)	-	-	-	-	-	-	1	-	2	5	10	10	11	2	4	2	19
Total Supvs. of Clerks	9	14	22	29	50	49	48	55	586	893	347	200	146	133	122	146	604
Clerks	2,606	3,786	3,093	1,196	352	79	27	13	11,408	15,176	2,566	128	28	20	7	3	3

As illustrated in Table 19, thousands of Clerks were paid a TBHR plus 5% that was more than the TBHR paid to thousands of Supervisors of Clerks. As shown in Exhibit 5A, thousands of Clerks were paid a TBHR that, when increased by 5%, was \$32.00 or more, while over 1,500 Supervisors of Clerks were paid a TBHR of less than \$32.00.

Table 20 illustrates the number of Clerks at or above and the number of Supervisors of Clerks below select TBHR Comparison Amounts.

⁸⁸ Exhibit 5A.

Table 20: Period 1 Analysis – TBHR Comparison Amounts⁸⁹

Comparison Amount	Clerks with TBHR +5% ≥ Comparison Amount	Supervisors of Clerks with TBHR < Comparison Amount
\$31.00	17,931	869
\$32.00	2,755	1,762
\$33.00	189	2,109

Based on my analysis in Table 19, Table 20, and Exhibit 5A, the SDA mechanism USPS developed did not result in all Supervisors of Clerks being paid a TBHR of 5% more than Clerks.

- 2,109 out of 3,460 Supervisors of Clerks were paid a TBHR less than \$33.00, while 189 Clerks were paid a TBHR that, when increased by 5%, was \$33.00 or more.
- 1,762 out of 3,460 Supervisors of Clerks were paid a TBHR less than \$32.00, while 2,755 Clerks were paid a TBHR that, when increased by 5%, was \$32.00 or more.
- 869 out of 3,460 Supervisors of Clerks were paid a TBHR less than \$31.00, while 17,931 Clerks were paid a TBHR that, when increased by 5%, was \$31.00 or more.

2. TBHR – Period 2

Table 21 provides a subset of data points for Period 2 the number of Supervisors of Clerks who were paid a TBHR and Clerks who were paid a TBHR in dollar increments beginning at \$22.00 and the number of Clerks whose TBHR plus 5% fell in each increment.⁹⁰ Table 21 identifies the number of Clerks who were paid a TBHR plus 5% that was more than the TBHR paid to Supervisors of Clerks. Chart 11 (attached) provides a graphical representation of the data.

⁸⁹ Exhibit 5.

⁹⁰ Exhibit 5B.

Table 21: Period 2 – Distribution of TBHR of Supervisors of Clerks and TBHR+5% of Clerks

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Distribution Ops. (17-19)	1	-	1	6	9	12	45	71	79	925	740	300	139	130	133	102	576
Mgrs. of Distribution Ops. (19)	-	-	-	-	-	-	-	1	-	3	4	14	9	10	5	4	20
Total Supvs. of Clerks	1	-	1	6	9	12	45	72	79	928	744	314	148	140	138	106	596
Clerks	2,806	2,760	3,049	2,836	1,978	681	206	226	399	10,166	12,290	2,511	158	38	15	8	6

As illustrated in Table 21, thousands of Clerks were paid a TBHR plus 5% that was more than the TBHR paid more than 1,800 Supervisors of Clerks. As shown in Exhibit 5B, thousands of Clerks were paid a TBHR that, when increased by 5%, was \$32.00 or more, while more than 1,000 Supervisors of Clerks were paid a TBHR of less than \$32.00.

Table 22 illustrates the number of Clerks at or above and the number of Supervisors of Clerks below select TBHR Comparison Amounts.

Table 22: Period 2 Analysis – TBHR Comparison Amounts⁹¹

Comparison Amount	Clerks with TBHR +5% ≥ Comparison Amount	Supervisors of Clerks with TBHR < Comparison Amount
\$31.00	25,192	225
\$32.00	15,026	1,153
\$33.00	2,736	1,897

Based on my analysis in Table 21, Table 22, and Exhibit 5B, the SDA mechanism USPS developed did not result in all Supervisors of Clerks being paid a TBHR of 5% more than Clerks.

- 1,897 out of 3,339 Supervisors of Clerks were paid a TBHR less than \$33.00, while 2,736 Clerks were paid a TBHR that, when increased by 5%, was \$33.00 or more.
- 1,153 out of 3,339 Supervisors of Clerks were paid a TBHR less than \$32.00, while 15,026 Clerks were paid a TBHR that, when increased by 5%, was \$32.00 or more.

⁹¹ Exhibit 5.

- 225 out of 3,339 Supervisors of Clerks in my analysis were paid a TBHR less than \$31.00, while 25,192 Clerks were paid a TBHR that, when increased by 5%, was \$31.00 or more.

3. TBHR – Period 3

Table 23 summarizes for Period 3 the number of Supervisors of Clerks who were paid a TBHR in dollar increments beginning at \$22.00 and the number of Clerks whose TBHR plus 5% fell in each increment.⁹² Table 23 identifies the number of Clerks who were paid a TBHR plus 5% that was more than the TBHR paid to Supervisors of Clerks. Chart 12 (attached) provides a graphical representation of the data.

Table 23: Distribution of TBHR of Supervisors of Clerks and TBHR+5% of Clerks

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Distribution Ops. (17-21)	-	-	-	2	1	1	1	2	-	-	328	1,294	369	187	113	142	642
Mgrs. of Distribution Ops. (19)	-	-	-	-	-	-	-	-	-	-	1	6	9	7	12	8	25
Total Supvs. of Clerks	-	-	-	2	1	1	1	2	-	-	329	1,300	378	194	125	150	667
Clerks	3,124	3,585	2,754	3,072	3,023	2,288	827	223	58	41	15,173	8,342	397	75	35	13	14

As illustrated in Table 23, hundreds of Clerks were paid a TBHR plus 5% that was more than the TBHR paid to more than 1,600 of Supervisors of Clerks. As shown in Exhibit 5C, hundreds of Clerks were paid a TBHR that, when increased by 5%, was \$34.00 or more, while more than 1,600 Supervisors of Clerks were paid a TBHR of less than \$34.00.

Table 24 illustrates the number of Clerks at or above and the number of Supervisors of Clerks below select TBHR Comparison Amounts.

⁹² Exhibit 5C.

Table 24: Period 3 Analysis – TBHR Comparison Amounts⁹³

Comparison Amount	Clerks with TBHR +5% ≥ Comparison Amount	Supervisors of Clerks with TBHR < Comparison Amount
\$33.00	8,876	336
\$34.00	534	1,636
\$35.00	137	2,014

Based on my analysis in Table 23, Table 24, and Exhibit 5C, the SDA mechanism USPS developed did not result in all Supervisors of Clerks being paid a TBHR of 5% more than Clerks.

- 2,014 out of 3,150 Supervisors of Clerks were paid a TBHR less than \$35.00, while 137 Clerks were paid a TBHR that, when increased by 5%, was \$35.00 or more.
- 1,636 out of 3,150 Supervisors of Clerks were paid a TBHR less than \$34.00, while 534 Clerks were paid a TBHR that, when increased by 5%, was \$34.00 or more.
- 336 out of 3,150 Supervisors of Clerks were paid a TBHR less than \$33.00, while 8,876 Clerks were paid a TBHR that, when increased by 5%, was \$33.00 or more.

iii. Summary

My comparison of TBP paid to Supervisors of Clerks and TBP paid to Clerks plus 5% and my comparison of TBHR paid to Supervisors of Clerks to TBHR paid to Clerks plus 5% both showed that the SDA as calculated by USPS did not, in thousands of instances, achieve the minimum 5% differential USPS had determined to be adequate and reasonable between clerks and the supervisory and managerial personnel above them. Not only was the minimum 5% differential not achieved in thousands of instances, my analysis shows that thousands of Supervisors of Clerks were paid a TBP and TBHR less than was paid to Clerks they supervised.

⁹³ Exhibit 5.

Respectfully,

A handwritten signature in black ink, appearing to read "Colleen Vallen". The signature is written in a cursive, flowing style.

Colleen Vallen, CPA/CFF

Table 1: Period 1 – Distribution of TBP of Supervisors of Carriers and TBP+5% of Carriers above SDA

Employee Category	\$66,228 -	\$67,000 -	\$68,000 -	\$69,000 -	\$70,000 -	\$71,000 -	\$72,000 -	\$73,000 -	\$74,000 -	\$75,000 -	\$76,000 -	\$77,000 -	\$78,000 -	\$79,000 -	≥\$80,000
	\$66,999	\$67,999	\$68,999	\$69,999	\$70,999	\$71,999	\$72,999	\$73,999	\$74,999	\$75,999	\$76,999	\$77,999	\$78,999	\$79,999	
Supvs. of Customer Svc. (17-20)	1,130	2,364	1,634	1,688	1,235	717	439	256	183	164	183	151	162	129	1,114
Postmasters (18-21)	62	136	119	155	170	185	274	268	294	232	282	279	290	253	4,207
Mgrs. of Customer Svc. (17-21)	1	1	-	-	7	15	30	34	66	55	141	129	120	89	805
Total Supvs. of Carriers	1,193	2,501	1,753	1,843	1,412	917	743	558	543	451	606	559	572	471	6,126
Carriers	1,895	2,118	1,789	4,065	71,641	20,914	9,854	2,851	6,359	1,663	6,499	1,408	1,135	5,678	8,414

Table 2: Period 1 Analysis – TBP Comparison Amounts

Comparison Amount	Carriers with TBP	Supervisors of Carriers with TBP
	+5% ≥ Comparison Amount	< Comparison Amount
\$70,000	136,416	8,843
\$72,000	43,861	11,172
\$76,000	23,134	13,467

Table 3: Period 2 – Distribution of TBP of Supervisors of Carriers and TBP+5% of Carriers above SDA

Employee Category	\$66,135 - \$66,999	\$67,000 - \$67,999	\$68,000 - \$68,999	\$69,000 - \$69,999	\$70,000 - \$70,999	\$71,000 - \$71,999	\$72,000 - \$72,999	\$73,000 - \$73,999	\$74,000 - \$74,999	\$75,000 - \$75,999	\$76,000 - \$76,999	\$77,000 - \$77,999	\$78,000 - \$78,999	\$79,000 - \$79,999	≥\$80,000
	Supvs. of Customer Svc. (17-20)	297	877	5,425	2,138	922	526	290	201	174	185	127	140	115	107
Postmasters (18-21)	46	86	220	207	148	208	230	252	299	267	316	296	274	260	3,922
Mgrs. of Customer Svc. (17-21)	-	-	4	-	16	26	37	41	74	96	150	145	88	77	682
Total Supvs. of Carriers	343	963	5,649	2,345	1,086	760	557	494	547	548	593	581	477	444	5,433
Carriers	4,525	8,611	56,512	13,542	5,102	2,879	4,617	2,653	4,348	2,519	3,756	2,835	1,853	3,360	2,998

Table 4: Period 2 Analysis – TBP Comparison Amounts

Comparison Amount	Carriers with TBP +5% ≥ Comparison Amount	Supervisors of Carriers with TBP < Comparison Amount
\$70,000	36,920	9,612
\$72,000	28,939	11,458
\$76,000	14,802	13,604

Table 5: Period 3 – Distribution of TBP of Supervisors of Carriers and TBP+5% of Carriers above SDA

Employee Category	\$41,495 -	\$42,000 -	\$43,000 -	\$44,000 -	\$45,000 -	\$46,000 -	\$47,000 -	\$48,000 -	\$49,000 -	\$50,000 -	\$51,000 -	\$52,000 -	\$53,000 -	≥\$54,000
	\$41,999	\$42,999	\$43,999	\$44,999	\$45,999	\$46,999	\$47,999	\$48,999	\$49,999	\$50,999	\$51,999	\$52,999	\$53,999	
Supvs. of Customer Svc. (17-20)	734	5,349	1,784	1,149	658	325	293	183	176	129	110	361	32	48
Postmasters (18-21)	81	337	259	351	413	407	491	445	384	356	336	292	291	2,213
Mgrs. of Customer Svc. (17-21)	-	3	13	41	74	132	201	138	132	91	87	69	75	309
Total Supvs. of Carriers	815	5,689	2,056	1,541	1,145	864	985	766	692	576	533	722	398	2,570
Carriers	2,918	48,683	29,254	6,274	5,465	5,827	4,446	5,003	4,285	2,915	1,120	548	219	125

Table 6: Period 3 Analysis – TBP Comparison Amounts

Comparison Amount	Carriers with TBP	Supervisors of
	+5% ≥ Comparison Amount	Carriers with TBP < Comparison Amount
\$44,000	36,227	9,411
\$46,000	24,488	12,097
\$47,000	18,661	12,961

Table 7: Period 1 – Distribution of TBHR of Supervisors of Carriers and TBHR+5% of Carriers

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Customer Svc. (17-20)	43	68	91	197	213	237	294	298	3,165	3,686	1,730	697	392	354	279	224	753
Postmasters (18-21)	3	3	9	14	133	98	39	79	241	376	547	617	591	558	576	467	3,206
Mgrs. of Customer Svc. (17-21)	-	-	-	-	-	1	-	-	3	23	75	127	199	219	153	122	571
Total Supvs. of Carriers	46	71	100	211	346	336	333	377	3,409	4,085	2,352	1,441	1,182	1,131	1,008	813	4,530
Carriers	12,649	16,985	8,982	5,912	4,663	4,962	5,812	6,046	7,916	11,918	93,015	21,462	1,793	361	113	38	59

Table 8: Period 1 Analysis – TBHR Comparison Amounts

Comparison Amount	Carriers with TBHR +5% ≥ Comparison Amount	Supervisors of Carriers with TBHR < Comparison Amount
\$32.00	116,841	9,344
\$33.00	23,826	11,696
\$34.00	2,364	13,137

Table 9: Period 2 – Distribution of TBHR of Supervisors of Carriers and TBHR+5% of Carriers

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Customer Svc. (17-20)	-	2	9	13	36	66	178	302	431	4,533	3,246	1,375	549	372	277	232	731
Postmasters (18-21)	-	1	2	6	17	141	72	45	78	339	330	497	612	570	589	529	3,514
Mgrs. of Customer Svc. (17-21)	-	-	-	-	-	-	-	-	-	1	12	47	134	226	240	153	623
Total Supvs. of Carriers	-	3	11	19	53	207	250	347	509	4,873	3,588	1,919	1,295	1,168	1,106	914	4,868
Carriers	12,738	12,877	16,011	8,500	5,841	4,317	4,250	5,299	6,576	9,156	60,771	46,571	7,303	1,552	400	147	116

Table 10: Period 2 Analysis – TBHR Comparison Amounts

Comparison Amount	Carriers with TBHR +5% ≥ Comparison Amount	Supervisors of Carriers with TBHR < Comparison Amount
\$32.00	116,860	6,273
\$33.00	56,089	9,861
\$34.00	9,518	11,780

Table 11: Period 3 – Distribution of TBHR of Supervisors of Carriers and TBHR+5% of Carriers

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Customer Svc. (17-20)	-	1	-	1	-	8	9	7	9	6	2,166	5,414	1,692	860	404	315	912
Postmasters (18-21)	-	-	-	-	-	19	140	70	47	58	178	442	404	522	553	573	4,028
Mgrs. of Customer Svc. (17-21)	-	-	-	-	-	-	-	-	-	-	-	12	36	89	200	220	808
Total Supvs. of Carriers	-	1	-	1	-	27	149	77	56	64	2,344	5,868	2,132	1,471	1,157	1,108	5,748
Carriers	14,737	15,114	11,747	14,562	9,761	7,397	4,674	3,817	4,666	7,238	9,069	82,725	21,075	5,285	1,322	425	321

Table 12: Period 3 Analysis –TBHR Comparison Amounts

Comparison Amount	Carriers with TBHR +5% ≥ Comparison Amount	Supervisors of Carriers with TBHR < Comparison Amount
\$33.00	111,153	2,719
\$34.00	28,428	8,587
\$35.00	7,353	10,719

Table 13: Period 1 – Distribution of TBP of Supervisors of Clerks and TBP+5% of Clerks above SDA

Employee Category	\$66,228 -	\$67,000 -	\$68,000 -	\$69,000 -	\$70,000 -	\$71,000 -	\$72,000 -	\$73,000 -	\$74,000 -	\$75,000 -	\$76,000 -		
	\$66,227	\$66,999	\$67,999	\$68,999	\$69,999	\$70,999	\$71,999	\$72,999	\$73,999	\$74,999	\$75,999	\$76,999	≥\$77,000
Supvs. of Distribution Ops. (17-20)	196	264	398	334	455	289	154	86	69	66	63	56	964
Mgrs. of Distribution Ops. (19)	-	1	-	3	2	2	3	4	5	4	6	6	30
Total Supvs. of Clerks	196	265	398	337	457	291	157	90	74	70	69	62	994
Clerks	205	6,513	7,456	4,548	1,673	628	92	33	17	10	12	11	17

Table 14: Period 1 Analysis – TBP Comparison Amounts

Comparison Amount	Clerks with TBP +5% ≥ Comparison Amount	Supervisors of Clerks with TBP < Comparison Amount
\$68,000	7,041	859
\$69,000	2,493	1,196
\$70,000	820	1,653

Table 15: Period 2 – Distribution of TBP of Supervisors of Clerks and TBP+5% of Clerks above SDA

Employee Category	\$66,135 -	\$67,000 -	\$68,000 -	\$69,000 -	\$70,000 -	\$71,000 -	\$72,000 -	\$73,000 -	\$74,000 -	\$75,000 -	\$76,000 -	\$77,000 -	\$78,000 -	≥\$78,000
	\$66,999	\$67,999	\$68,999	\$69,999	\$70,999	\$71,999	\$72,999	\$73,999	\$74,999	\$75,999	\$76,999	\$77,999	\$78,999	
Supvs. of Distribution Ops. (17-19)	25	160	1,118	552	214	106	61	79	62	54	61	46	64	667
Mgrs. of Distribution Ops. (19)	-	1	3	3	2	7	1	4	5	9	2	4	5	24
Total Supvs. of Clerks	25	161	1,121	555	216	113	62	83	67	63	63	50	69	691
Clerks	14,895	3,333	6,083	1,080	236	71	45	17	10	7	3	5	5	7

Table 16: Period 2 Analysis – TBP Comparison Amounts

Comparison Amount	Clerks with TBP +5% ≥ Comparison Amount	Supervisors of Clerks with TBP < Comparison Amount
\$68,000	7,569	186
\$69,000	1,486	1,307
\$70,000	406	1,862

Table 17: Period 3 – Distribution of TBP of Supervisors of Clerks and TBP+5% of Clerks above SDA

Employee Category	\$41,494 -	\$41,999 -	\$42,999 -	\$43,999 -	\$44,999 -	\$45,999 -	\$46,999 -	\$47,999 -	\$48,999 -	\$49,999 -	\$50,999 -	\$51,999 -	≥\$52,000
	\$41,494	\$41,999	\$42,999	\$43,999	\$44,999	\$45,999	\$46,999	\$47,999	\$48,999	\$49,999	\$50,999	\$51,999	≥\$52,000
Supvs. of Distribution Ops. (17-21)	71	114	1,244	375	246	138	83	110	99	72	93	77	360
Mgrs. of Distribution Ops. (19)	-	1	4	5	7	6	11	4	6	1	2	3	18
Total Supvs. of Clerks	71	115	1,248	380	253	144	94	114	105	73	95	80	378
Clerks	7	4,090	7,904	1,396	145	48	26	12	8	2	2	5	5

Table 18: Period 3 Analysis – TBP Comparison Amounts

Comparison Amount	Clerks with TBP +5% ≥ Comparison Amount	Supervisors of Clerks with TBP < Comparison Amount
\$42,000	9,553	186
\$43,000	1,649	1,434
\$44,000	253	1,814

19: Period 1 – Distribution of TBHR of Supervisors of Clerks and TBHR+5% of Clerks

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Distribution Ops. (17-20)	9	14	22	29	50	49	47	55	584	888	337	190	135	131	118	144	585
Mgrs. of Distribution Ops. (19)	-	-	-	-	-	-	1	-	2	5	10	10	11	2	4	2	19
Total Supvs. of Clerks	9	14	22	29	50	49	48	55	586	893	347	200	146	133	122	146	604
Clerks	2,606	3,786	3,093	1,196	352	79	27	13	11,408	15,176	2,566	128	28	20	7	3	3

Table 20: Period 1 Analysis – TBHR Comparison Amounts

Comparison Amount	Clerks with TBHR +5% ≥ Comparison Amount	Supervisors of Clerks with TBHR < Comparison Amount
\$31.00	17,931	869
\$32.00	2,755	1,762
\$33.00	189	2,109

Table 21: Period 2 – Distribution of TBHR of Supervisors of Clerks and TBHR+5% of Clerks

Employee Category	\$22.00 - \$22.99	\$23.00 - \$23.99	\$24.00 - \$24.99	\$25.00 - \$25.99	\$26.00 - \$26.99	\$27.00 - \$27.99	\$28.00 - \$28.99	\$29.00 - \$29.99	\$30.00 - \$30.99	\$31.00 - \$31.99	\$32.00 - \$32.99	\$33.00 - \$33.99	\$34.00 - \$34.99	\$35.00 - \$35.99	\$36.00 - \$36.99	\$37.00 - \$37.99	≥\$38.00
	Supvs. of Distribution Ops. (17-19)	1	-	1	6	9	12	45	71	79	925	740	300	139	130	133	102
Mgrs. of Distribution Ops. (19)	-	-	-	-	-	-	-	1	-	3	4	14	9	10	5	4	20
Total Supvs. of Clerks	1	-	1	6	9	12	45	72	79	928	744	314	148	140	138	106	596
Clerks	2,806	2,760	3,049	2,836	1,978	681	206	226	399	10,166	12,290	2,511	158	38	15	8	6

Table 22: Period 2 Analysis – TBHR Comparison Amounts

Comparison Amount	Clerks with TBHR +5% ≥ Comparison Amount	Supervisors of Clerks with TBHR < Comparison Amount
\$31.00	25,192	225
\$32.00	15,026	1,153
\$33.00	2,736	1,897

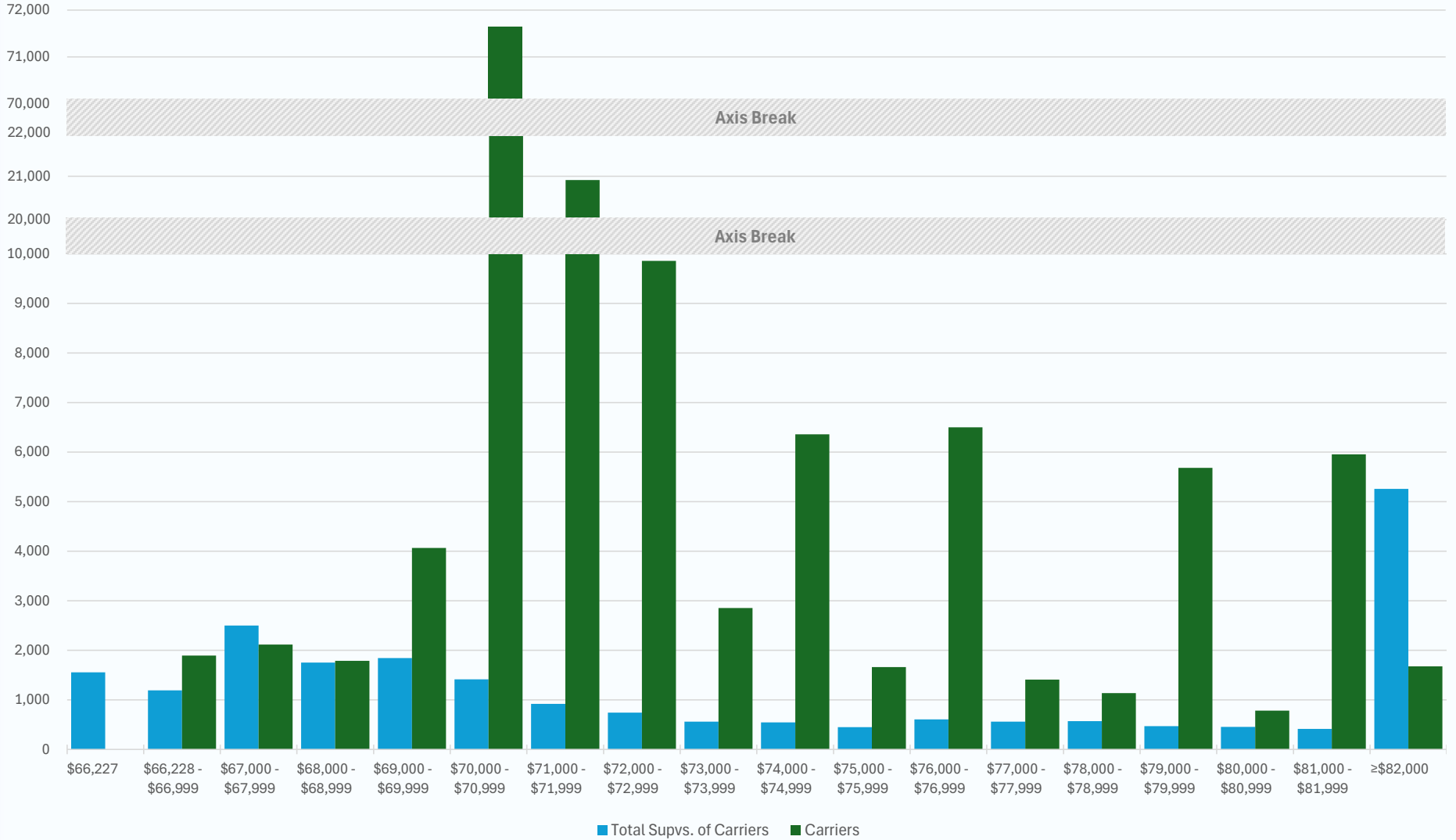
Table 23: Distribution of TBHR of Supervisors of Clerks and TBHR+5% of Clerks

Employee Category	\$22.00 -	\$23.00 -	\$24.00 -	\$25.00 -	\$26.00 -	\$27.00 -	\$28.00 -	\$29.00 -	\$30.00 -	\$31.00 -	\$32.00 -	\$33.00 -	\$34.00 -	\$35.00 -	\$36.00 -	\$37.00 -	
	\$22.99	\$23.99	\$24.99	\$25.99	\$26.99	\$27.99	\$28.99	\$29.99	\$30.99	\$31.99	\$32.99	\$33.99	\$34.99	\$35.99	\$36.99	\$37.99	≥\$38.00
Supvs. of Distribution Ops. (17-21)	-	-	-	2	1	1	1	2	-	-	328	1,294	369	187	113	142	642
Mgrs. of Distribution Ops. (19)	-	-	-	-	-	-	-	-	-	-	1	6	9	7	12	8	25
Total Supvs. of Clerks	-	-	-	2	1	1	1	2	-	-	329	1,300	378	194	125	150	667
Clerks	3,124	3,585	2,754	3,072	3,023	2,288	827	223	58	41	15,173	8,342	397	75	35	13	14

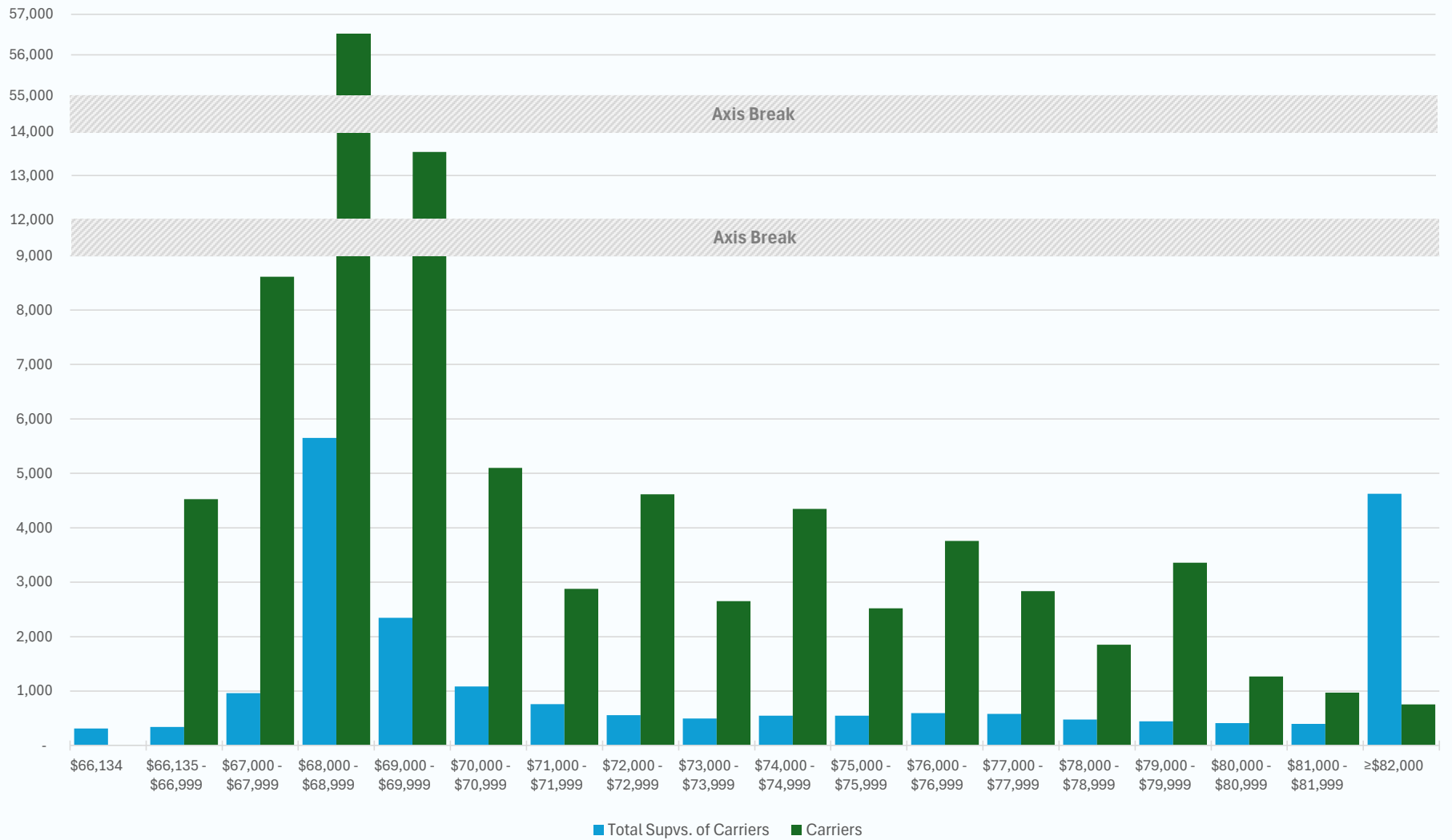
Table 24: Period 3 Analysis – TBHR Comparison Amounts

Comparison Amount	Clerks with TBHR +5% ≥ Comparison Amount	Supervisors of Clerks with TBHR < Comparison Amount
\$33.00	8,876	336
\$34.00	534	1,636
\$35.00	137	2,014

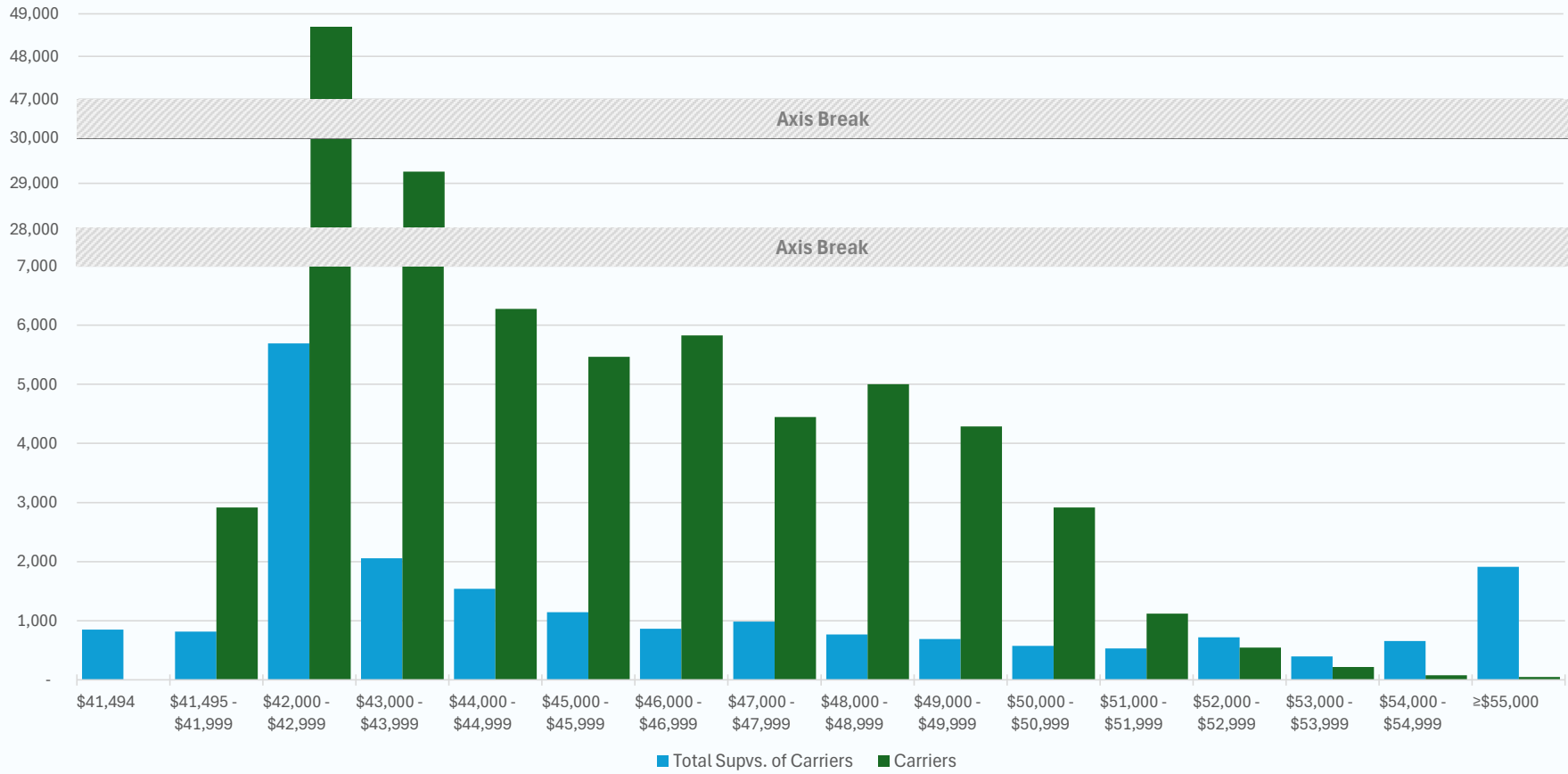
Distribution of TBP of Supervisors of Carriers and TBP + 5% of Carriers – Period 1 (“Chart 1”)



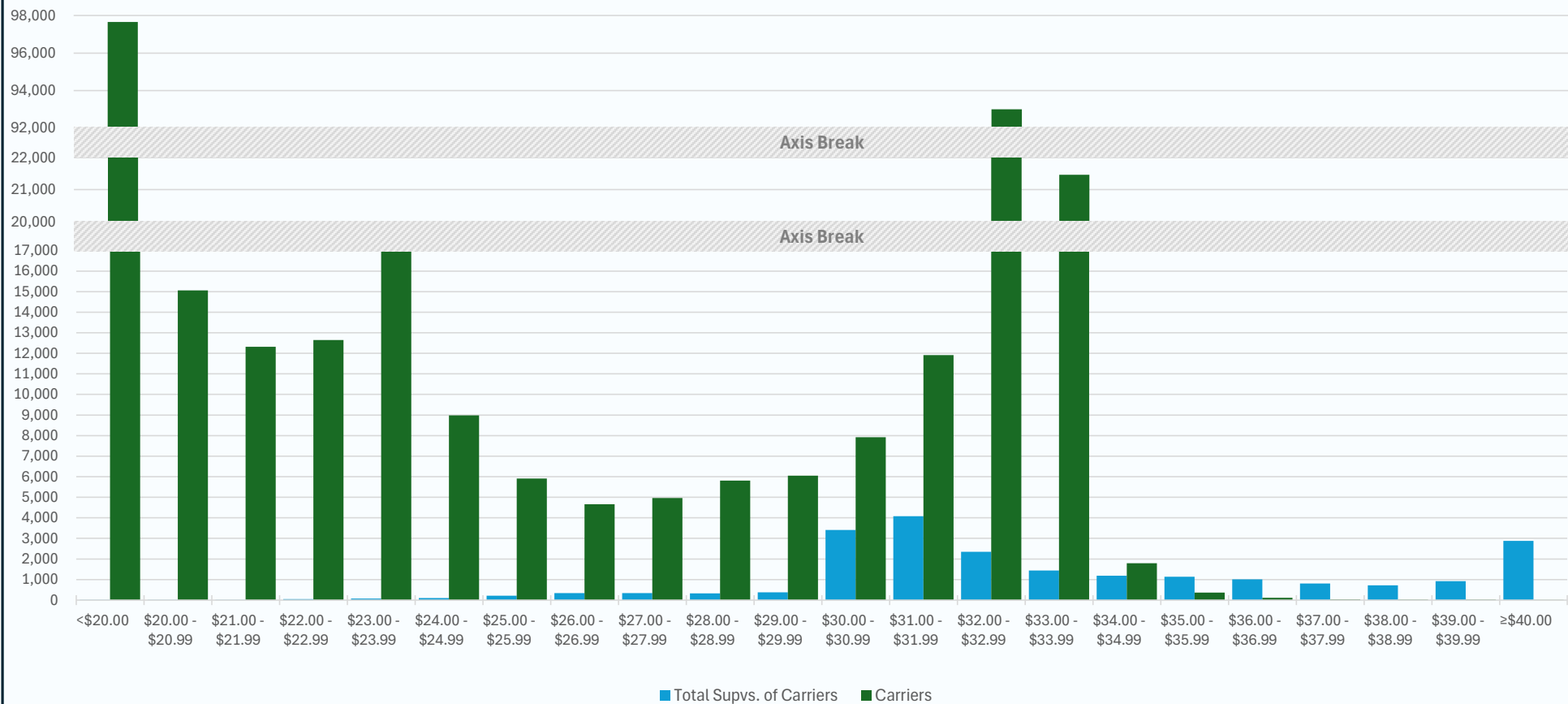
Distribution of TBP of Supervisors of Carriers and TBP + 5% of Carriers – Period 2 (“Chart 2”)



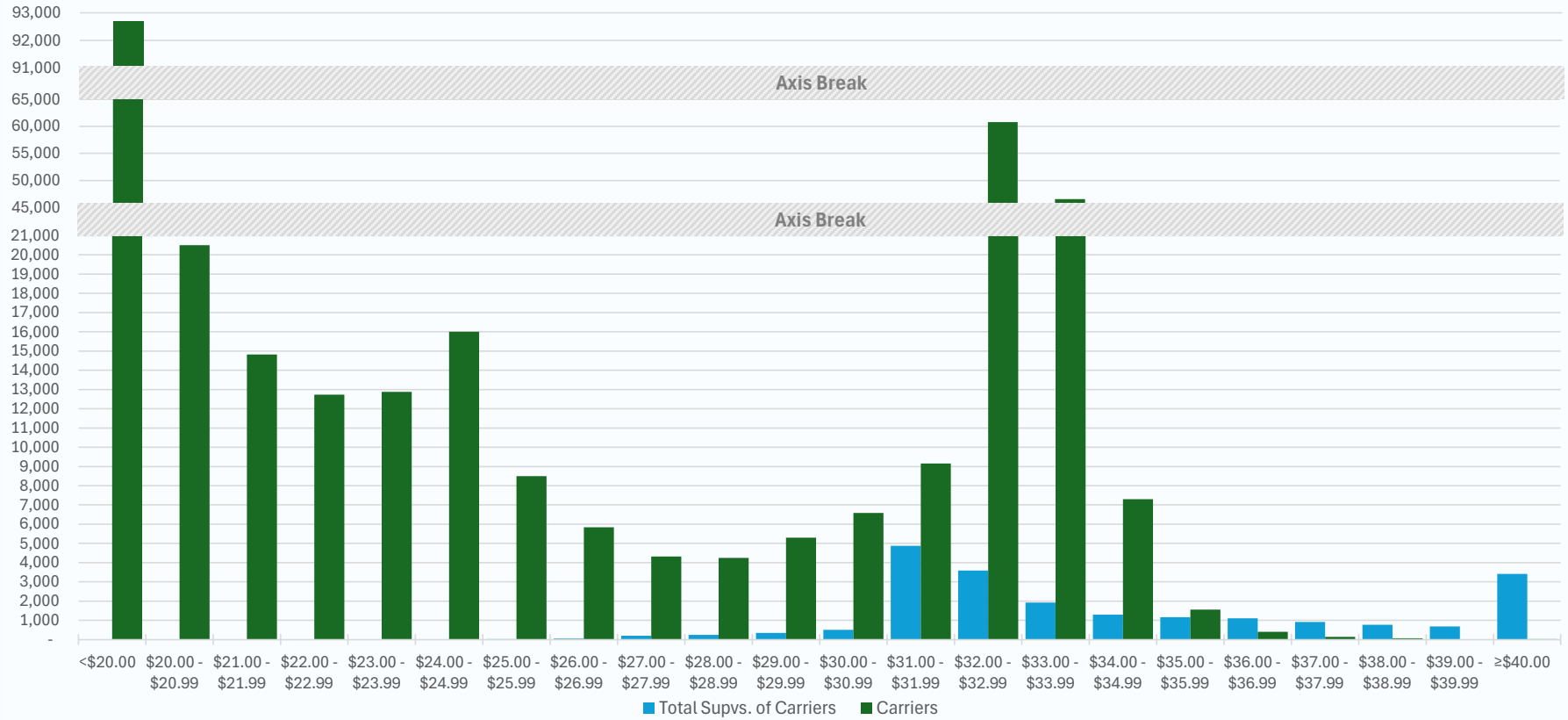
Distribution of TBP of Supervisors of Carriers and TBP + 5% of Carriers – Period 3 (“Chart 3”)



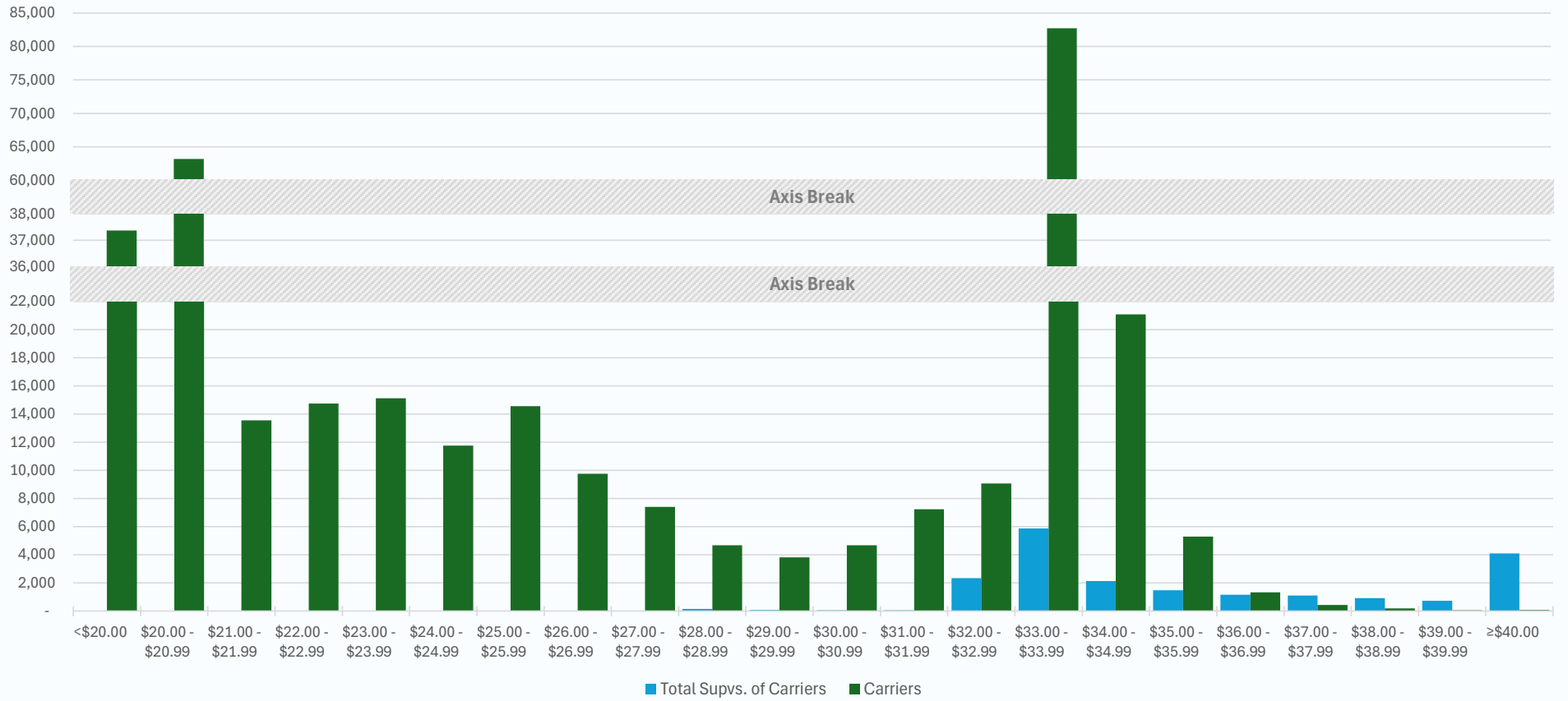
Distribution of TBHR of Supervisors of Carriers and TBHR + 5% of Carriers – Period 1 ("Chart 4")



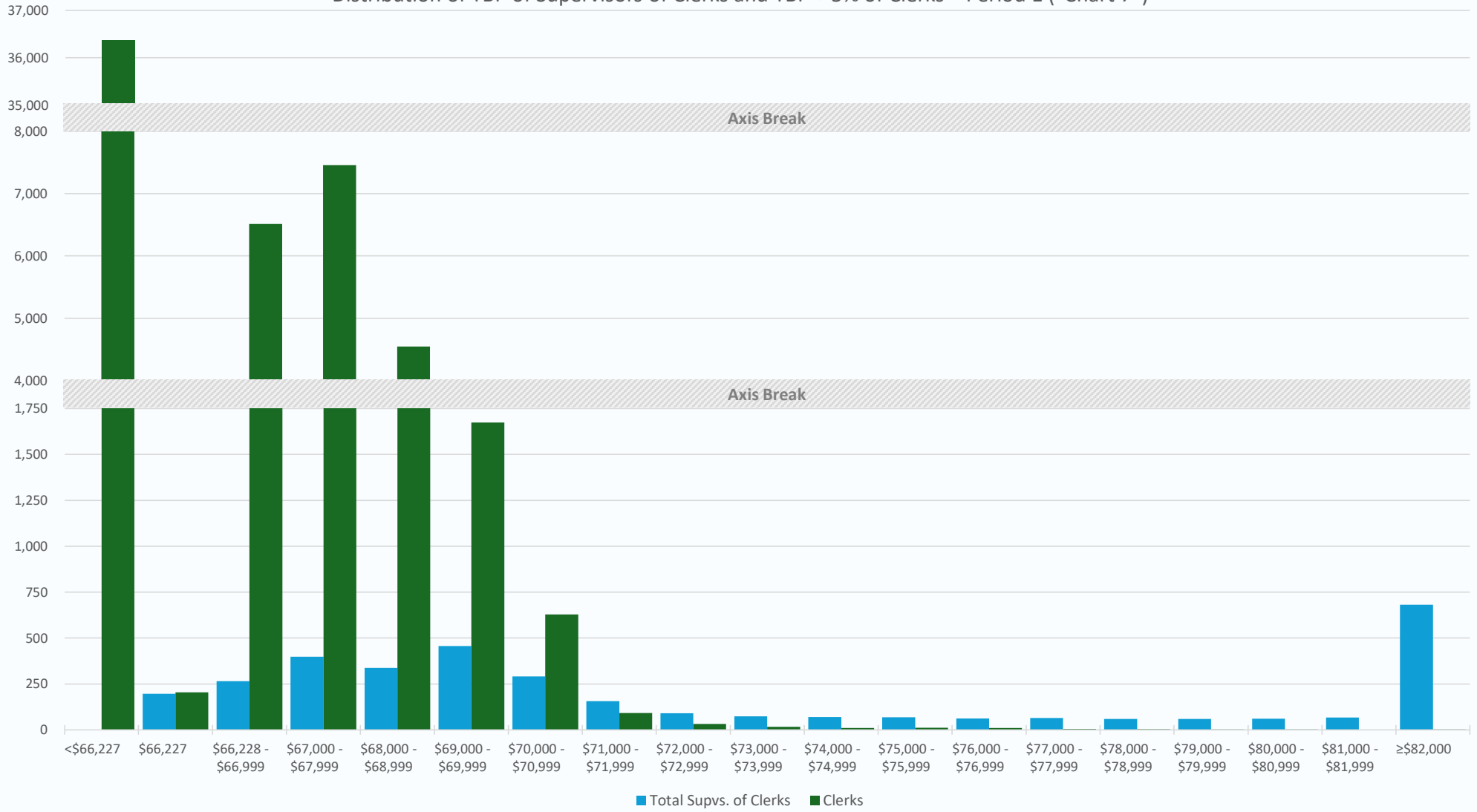
Distribution of TBHR of Supervisors of Carriers and TBHR + 5% of Carriers – Period 2 ("Chart 5")



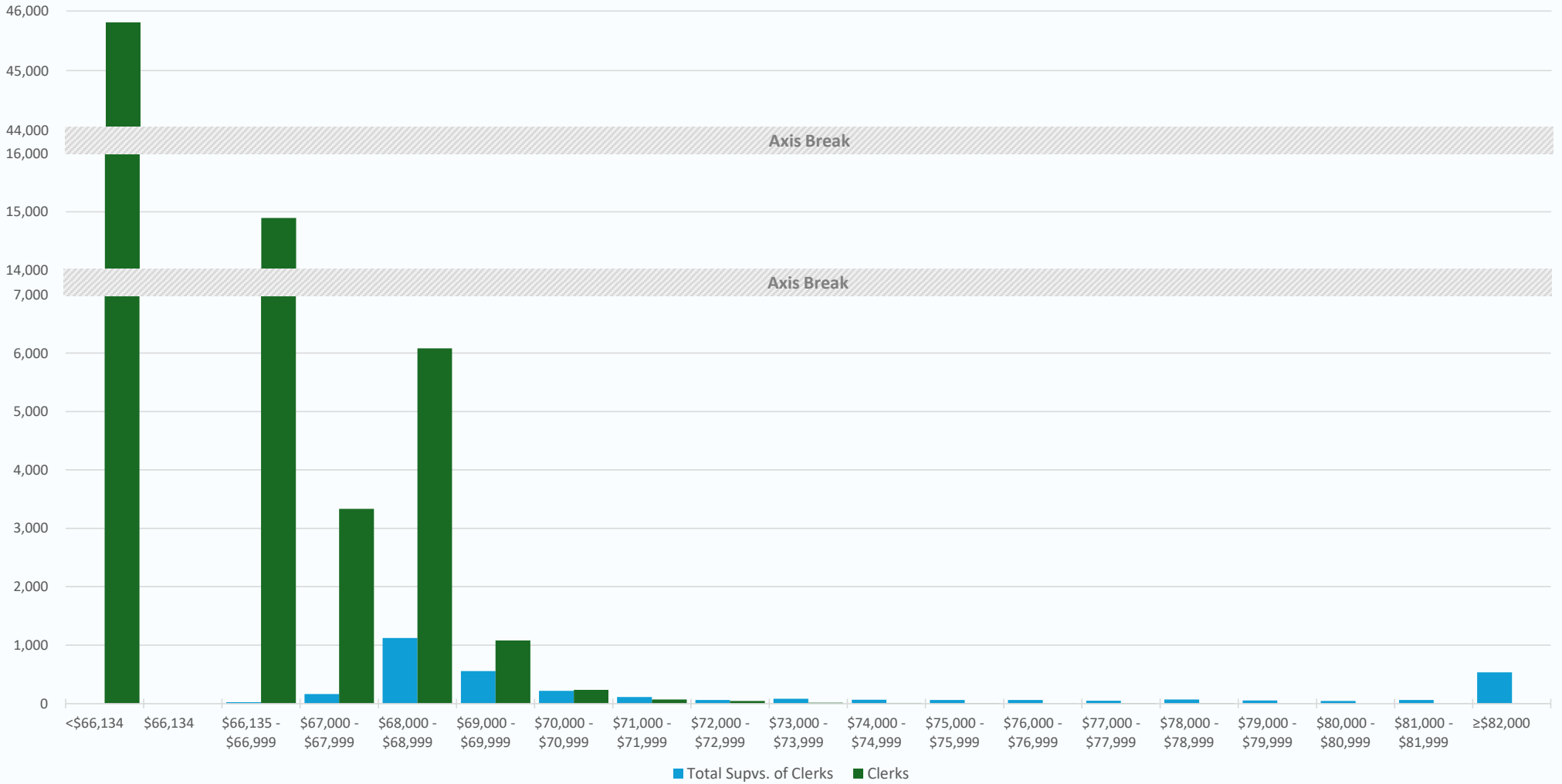
Distribution of TBHR of Supervisors of Carriers and TBHR + 5% of Carriers – Period 3 ("Chart 6")



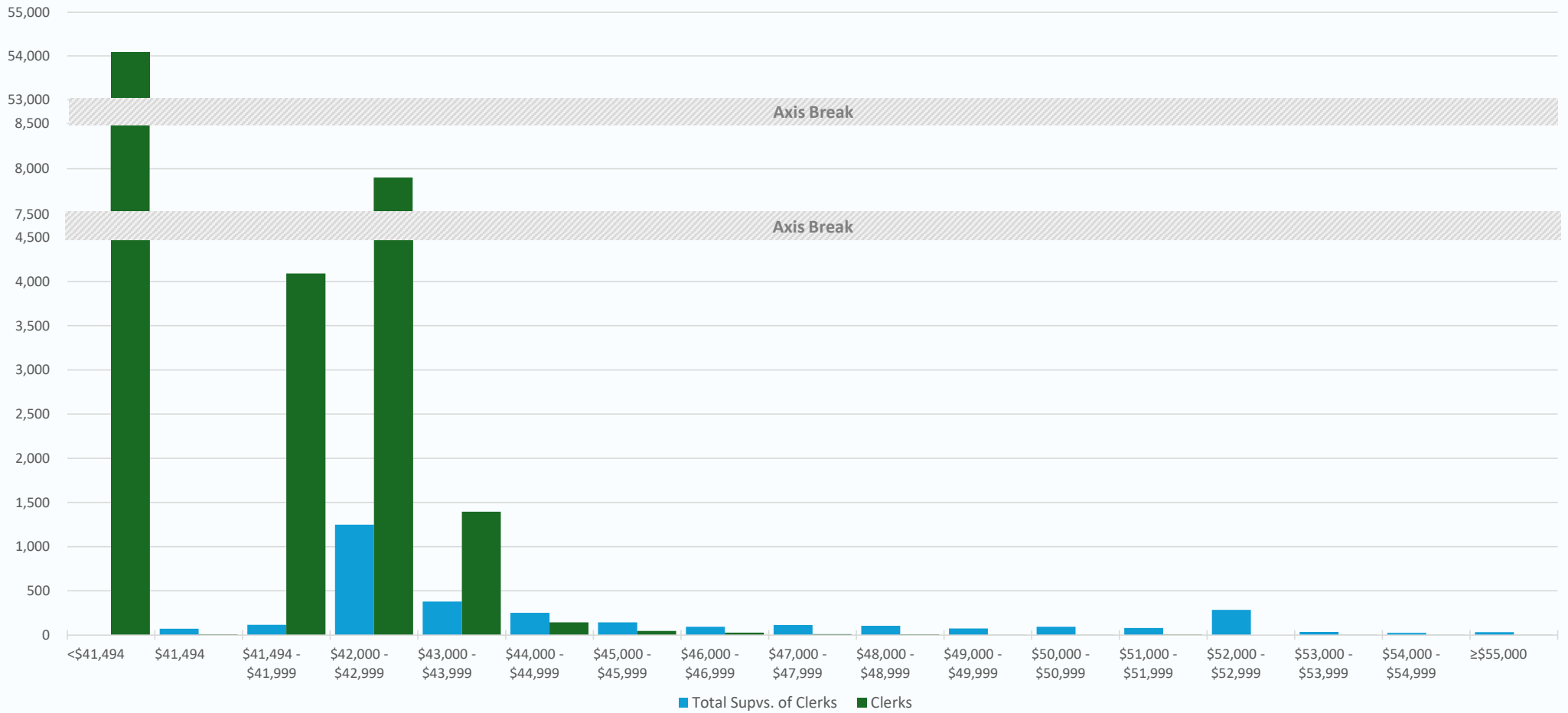
Distribution of TBP of Supervisors of Clerks and TBP + 5% of Clerks – Period 1 (“Chart 7”)



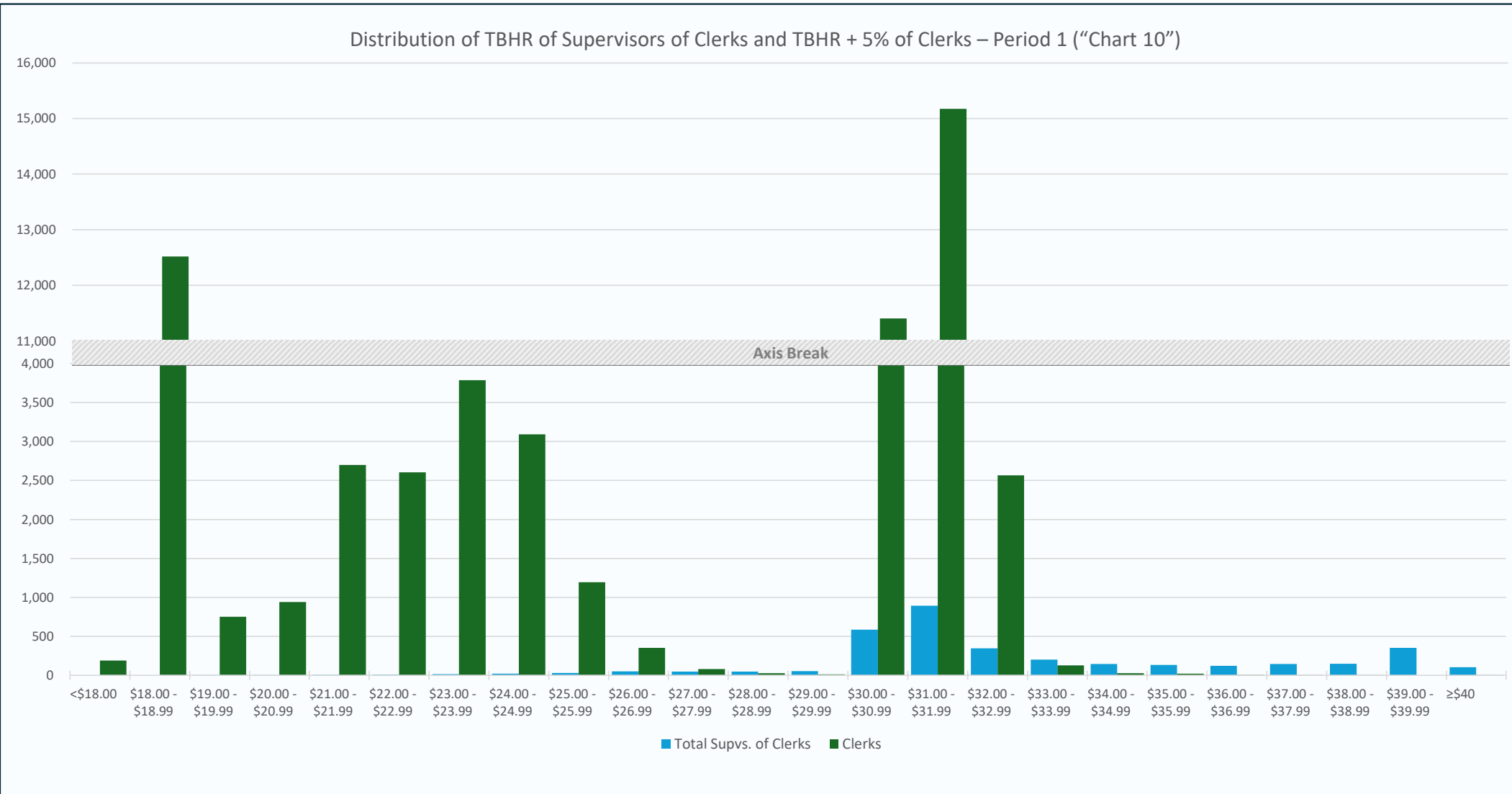
Distribution of TBP of Supervisors of Clerks and TBP + 5% of Clerks – Period 2 (“Chart 8”)



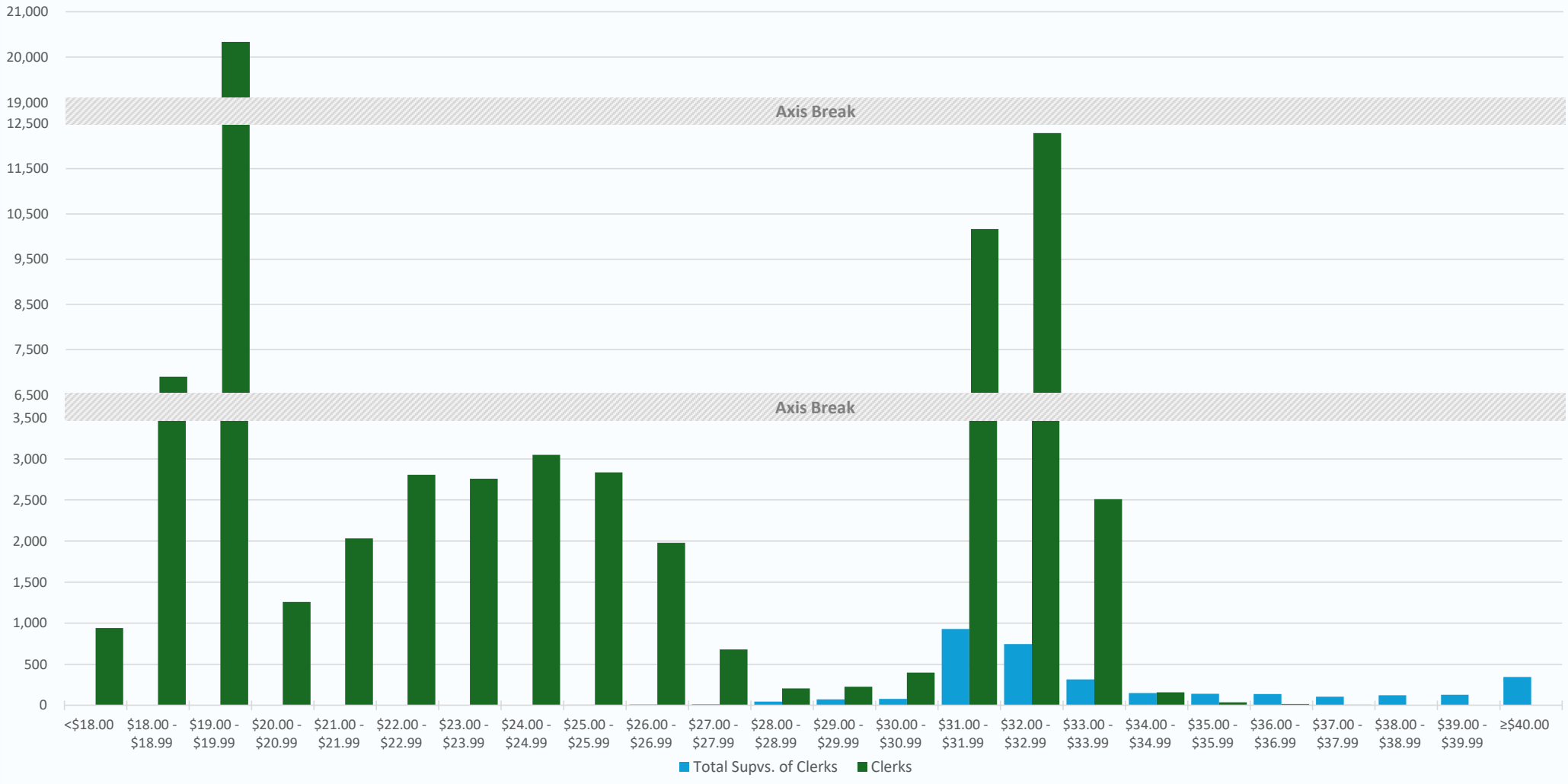
Distribution of TBP of Supervisors of Clerks and TBP + 5% of Clerks – Period 3 (“Chart 9”)



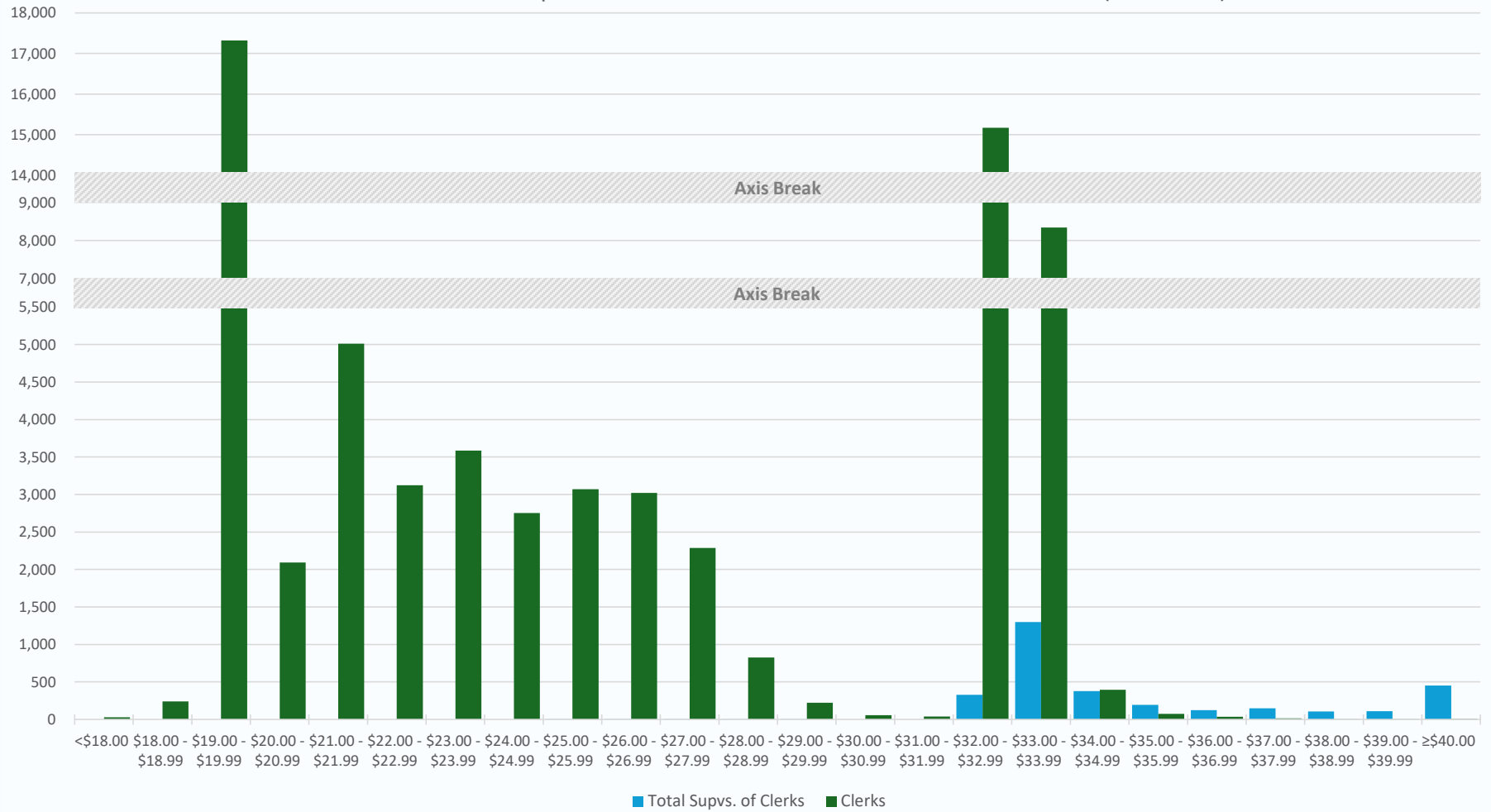
Distribution of TBHR of Supervisors of Clerks and TBHR + 5% of Clerks – Period 1 (“Chart 10”)



Distribution of TBHR of Supervisors of Clerks and TBHR + 5% of Clerks – Period 2 (“Chart 11”)



Distribution of TBHR of Supervisors of Clerks and TBHR + 5% of Clerks – Period 3 (“Chart 12”)



Curriculum Vitae of Colleen S. Vallen, CPA/CFF

Educational Background and Credentials

Certified Public Accountant in Pennsylvania (CPA)

Certified in Financial Forensics (CFF)

Bachelor of Science – Rutgers University (Accounting) -1992

Professional Experience

- Has over 25 years' experience specializing in forensic accounting.
- Has prepared and submitted reports analyzing and measuring damages associated with insurance matters including business interruption, extra expense, inventory and other claims. Assignments have included claims arising under a wide array of policies. Examples include property, cyber, fidelity, directors and officers, error and omissions and builders risk.
- Has served as an umpire and an appraiser.
- Has prepared and submitted reports analyzing and measuring damages associated with commercial breaches of contracts, wrongful termination of employment, wrongful death, personal injury and other "lost profits" matters.
- Has prepared and analyzed numerous financial damage analyses and financial models.
- Has extensive experience in the analysis, investigation and review of financial documentation.
- Has represented both insured's and insurance companies during 25 year career.
- Has provided services to a wide range of industries. Examples include health care, insurance, hospitality, life sciences, higher education, real estate, retail, gaming, manufacturing, construction, professional and financial services and utilities.
- Engaged by law firms, banks, legal, accounting and utility associations, insurance companies and other associations to speak and/or write on topics including business interruption, fraud, forensic investigations and financial analyses.
- Served as an adjunct professor at Villanova University Charles Widger School of Law and Drexel University Thomas R. Kline School of Law teaching accounting for lawyers.

Professional Memberships

- American Institute of Certified Public Accountants (AICPA)
- Pennsylvania Institute of Certified Public Accountants (PICPA)
- Forum of Executive Women, Past President and Treasurer
- Women Owned Law, Secretary (Past Service)

Publications

- “Managing Business Interruption Claims: # Pandemic-Driven Changes and How to Prepare”, April 2022.
- “Business Interruption Claims in a Know after Pandemic”, Pennsylvania CPA Journal, Fall 2021.
- “Considerations when Selecting a Forensic Accountant for Complex Claims”, Property Casualty 360, July 2020.
- “Financial Experts: Finding the Right Fit”, The Legal Intelligencer, March 2017.
- “The Talent Challenge: How to Connect with A Players on your Needs and their Motivations”, SmartCEO, July 2016.
- “Dealing with Natural Disasters 101”, The Legal Intelligencer, May 2016.
- “Historic Year for Federal Wage-and-Hour Lawsuits”, The Legal Intelligencer, December 2015.
- “The Effects of Natural Disasters on Business Operations”, The Legal Intelligencer, October 2015.
- “Assessing Financial Damages in Wage-and-Hour Litigation – Not that Simple”, New York Law Journal, August 2015.
- “Evaluating and Managing Business Fraud Risk”, The Legal Intelligencer, February 2015.
- “Red Flags in Employee Theft in Retail”, The Legal Intelligencer, June 2014.
- “How to Prevent Summertime Employee Theft”, Philadelphia Business Journal, June 2014.

Testimony

2023 Appraisal
 The Estate of Peter A. Tucci, Sr., v. Hartford Casualty Insurance Company

Documents Relied Upon

- Complaint, ECF No. 1 (July 26, 2019)
- United States Postal Service's Post-Hearing Brief to the Factfinding Panel (Jan. 15, 2019) (AR0728-756)
- Brief for Appellee Brief, United States Postal Service, Case No. 20-5280 (D.C. Cir. Apr. 6, 2021)
- Letter from DOJ to Clerk, Case No. 20-5280, Doc. No. 1914726 (D.C. Cir. Sept. 17, 2021)
- Occupation Codes Eligible for the Supervisor Differential Adjustment (SDA), Effective TBD (PP-XX2019), and accompanying memo from Bruce Nicholson (Feb. 20, 2019)
- Occupation Codes Eligible for the Supervisor Differential Adjustment (SDA), Effective February 29, 2020 (PP 06-2020)
- Occupation Codes Eligible for the Supervisor Differential Adjustment (SDA), Effective February 27, 2021 (PP 06-2021)
- Occupation Codes Eligible for Supervisor Differential Adjustment (SDA), Effective September 1, 2018 (PP-19-2018) (AR1057)
- USPS 3541 - PROTECTED - EAS 2020-PP2 (27PP)
- USPS 3542 - PROTECTED - EAS 2021-PP2 (26PP)
- USPS 3543 - PROTECTED - EAS 2021-PP18 (16PP)
- USPS 3544 - PROTECTED - APWU 2020-PP2 (27PP)
- USPS 3545 - PROTECTED - APWU 2021-PP2 (26PP)
- USPS 3546 - PROTECTED - APWU 2021-PP18 (16PP)
- USPS 3547 - PROTECTED - NALC 2020-PP2 (27PP)
- USPS 3557 - PROTECTED - NALC 2020 PP2 (27PP) – corrected
- USPS 3548 - PROTECTED - NALC 2021-PP2 (26PP)
- USPS 3549 - PROTECTED - NALC 2021-PP18 (16PP)
- USPS 3550 - PROTECTED - NRLCA 2020-PP2 (27PP)
- USPS 3551 - PROTECTED - NRLCA 2021-PP2 (26PP)
- USPS 3552 - PROTECTED - NRLCA 2021-PP18 (16PP)
- USPS 3555 - OCC index with changes
- USPS 3556 - OCC craft-supervisor index
- Email from Eric D Goulian, to Andrew Freeman (July 12, 2024, 12:11 AM)