

REGULAR ARBITRATION PANEL

C# 11293

A + B

In the Matter of the Arbitration )  
between )  
UNITED STATES POSTAL SERVICE )  
and )  
NATIONAL ASSOCIATION OF )  
LETTER CARRIERS, AFL-CIO )

GRIEVANT: K BEAUGRAND  
POST OFFICE: SAN DIEGO,  
CALIFORNIA  
CASE NO: W7N-5L-D 30655  
W7N-5L-C 30654

BEFORE: Gary L. Axon, ARBITRATOR

APPEARANCES:

For the U. S. Postal Service:

Tom Avey  
Labor Relations Representative  
United States Postal Service  
2535 Midway Drive  
San Diego, CA 92199-9409

For the Union:

Manuel L. Peralta, Jr.  
Regional Administrative Assistant  
San Francisco Region  
NALC AFL-CIO  
3636 Westminster Avenue, #A  
Santa Ana, CA 92703

Place of Hearing:

San Diego, California

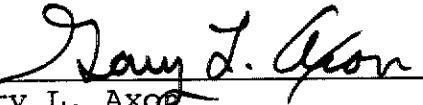
Date of Hearing:

September 19, 1991

AWARD: The Postal Service had just cause to discipline Grievant in the form of a letter of warning.

The Postal Service acted pursuant to Article 28, Section 2 when it issued the letter of demand. Because other persons contributed to the circumstances which caused the loss of the registered parcel, total responsibility for the \$25,000 loss is not properly chargeable to Grievant. Therefore, the Arbitrator orders the letter of demand shall be revised to reflect an amount of \$1,000 payable by Grievant.

Date of Award: October 21, 1990

  
Gary L. Axon  
Arbitrator

I.       STATEMENT OF ISSUE

The parties consolidated two separate grievances arising out of the same incident for purposes of this arbitration. With respect to the letter of warning grievance, the parties stipulated to a statement of the issue which read:

Was the letter of warning issued to Grievant K. Beaugrand for just cause?

If not, what is the appropriate remedy?

The Union proposed a statement of the issue on the letter of demand grievance to state:

Was the letter of demand issued to Grievant K. Beaugrand in violation of the National Agreement?

If so, what is the appropriate remedy?

The Postal Service refused to agree to the issue as stated by the Union but offered no proposal of its own on how the issue should be framed.

The Arbitrator accepts the Union's view of the issue on the letter of demand with the modification to refer to the specific contract article at issue.

The issue on the letter of demand grievance is revised by the Arbitrator to read as follows:

Was the letter of demand issued to Grievant K. Beaugrand done in violation of Article 28, Section 2 of the National Agreement?  
If so, what is the appropriate remedy?

**II. RELEVANT CONTRACTUAL PROVISIONS**

**ARTICLE 16**

**DISCIPLINE PROCEDURE**

**Section 1. Principles**

In the administration of this Article, a basic principle shall be that discipline should be corrective in nature, rather than punitive. No employee may be disciplined or discharged except for just cause such as, but not limited to, insubordination, pilferage, intoxication (drugs or alcohol), incompetence, failure to perform work as requested, violation of the terms of this Agreement, or failure to observe safety rules and regulations. Any such discipline or discharge shall be subject to the grievance-arbitration procedure provided for in this Agreement, which could result in reinstatement and restitution, including back pay.

. . .

**ARTICLE 28**

**EMPLOYER CLAIMS**

. . .

**Section 2. Loss or Damage of the Mails**

An employee is responsible for the protection of the mails entrusted to the employee. Such employee shall not be financially liable for any loss, rifling, damage, wrong delivery of, or depredation on, the mails or failure to collect or remit C.O.D. funds unless the employee failed to exercise reasonable care.

. . .

**III. STATEMENT OF FACTS**

The incident which gave rise to the two grievances took place on September 7, 1989. Grievant was employed as a letter

carrier assigned to work as a T-6 requiring her to relieve the regular carriers on five different routes each week. One of the routes she relieved was Route 2103, carried by Larry Laywell. Route 2103 is a business route serving no residential customers.

On September 6, 1989, Freeman Gem Company mailed a registered parcel addressed to "Green Fire Trading Company, 8550 Production Avenue, San Diego, CA 92121." The article contained an emerald valued at \$33,000. Grievant was working Route 2103 on September 7, 1989. Grievant received the parcel at the Post Office on September 7, 1989, as part of her accountables. There is no dispute that Grievant received the parcel containing the gem.

The address of the Green Fire Trading Company was established as 8550 Production Avenue, Suite A, San Diego, CA 92121. The property on Production Avenue contains two suites designated as Suite A and Suite B. Suite B is occupied by Pacific Sun Pool and Spa. Suite A is occupied by the La Boulangerie Bakery (hereinafter "Bakery"). The parties stipulated that Green Fire Trading came into business in March, 1989. Testimony of carrier Laywell indicated that Green Fire Trading Company was owned by the same people who operated the Bakery. The evidence further revealed that as of September 7, 1989, there was no sign identifying Suite A as the office of Green Fire Trading Company.

Grievant testified that on September 7, 1989, she went to 8550 Production Avenue during the course of her route. According to Grievant, the Bakery was closed so she went next door to the Pacific Sun Pool and Spa (herein after "PSPS"). Grievant testified

she displayed the parcel addressed to Green Fire Trading Company to a secretary at PSPS. For purposes of this award the secretary will be referred to as "Jamie." Grievant next stated she asked Jamie if the parcel belonged here, to which Jamie replied in the affirmative. Grievant testified she left the parcel with Jamie. On the Form 3849 Grievant wrote she had left the parcel with "Pool." (Jt. Ex. 2, p 36). Grievant explained that Jamie was known to her as a person who received mail for PSPS.

On September 13, 1989, Freeman Gem Company reported by telephone to Carol Stauffer, Supervisor of Mails and Delivery, that there was a problem with the registered package containing the gem. Stauffer checked the accountable sheet and found the parcel had been delivered by Grievant on September 7, 1989. Subsequently, it was learned the parcel had been signed for by Jamie, a person not in the employ of Green Fire Trading Company.

Stauffer assigned 204-B Michael Maley to investigate the circumstances of the lost parcel. In a report dated September 20, 1989, Maley wrote the following:

In regards to the missing registered parcel from route 2103. . . . In speaking with Karen Beaugrand it was confirmed that she did have possession of the package of 9/7/89 and did deliver it to the Business next door to the actual business it was meant to go to. (she does want to see the package and a copy of the address because she feels it might have been an insufficient address which resulted in the misdelivery.)

(Jt. Ex. 2, p 58)

Maley did not testify at the hearing.

Freeman Gem Company filed a claim, dated October 5, 1989, for loss of the gem, asserting a value of \$33,000. (Jt. Ex. 2, p 37). The declared value was \$25,000. The case of the missing gem was assigned to Postal Inspector D. F. d'Artenay on or about October 25, 1989. Postal Inspector d'Artenay attempted to contact Jamie but learned Jamie was no longer employed by PSPS. Postal Inspector d'Artenay attempted to locate Jamie but as unable to make personal contact with her. Six months later in May or June, 1990, Jamie did telephone Postal Inspector d'Artenay and agreed to meet with him to discuss the missing parcel. A meeting was scheduled but Jamie was a "no show." Jamie has not been heard from since the telephone call to d'Artenay.

The Postal Service paid Freeman Gem Company \$25,000 for the loss of the registered parcel containing the gem.

On September 26, 1989, Postal Service prepared a letter of warning for "Improper Handling of Accountable Mail." The letter read in relevant part as follows:

To: Karen Beaugrand

. . .

In accordance with Article 16 of the National Agreement, it is necessary to give you this letter of warning relative to the irregularities described below:

On 9-7-89 you signed for registered article #387-08-2416. This article was addressed to Greenfire at 8550 A Production, San Diego, 92130. You misdelivered this registered article to 8550 B Production. The article has not been recovered as of this date (9-22-89). You have been instructed on the proper procedure to deliver accountable mail. By

misdelivering this accountable mail, you improperly handled it. Delivering employees are responsible for ensuring the accurate delivery of mail, including accountable mail.

(Jt. Ex. 2, p 24; emphasis added)

The letter was signed by Supervisor Stauffer. The letter was issued on October 2, 1989, but held in abeyance pending the postal inspector investigation.

Postal Inspector d'Artenay concluded his investigation and issued an investigative memorandum dated January 11, 1991. (Jt. Ex. 3, pp 33 - 41). In the report d'Artenay indicated he first interviewed Grievant on November 16, 1989. Grievant told the inspector the suite number was not on the parcel. Grievant indicated she asked the secretary at PSPS if the article belonged to them and the secretary replied "yes." The secretary signed for the parcel and Grievant delivered the package.

On November 16, 1989, d'Artenay interviewed the regular carrier, Laywell, who reported most of the mail comes addressed to the suite locations at 8550 Production Avenue. Laywell told d'Artenay that he estimated he receives three or four pieces of mail per week addressed to Green Fire Trading Company.

Postal Inspector d'Artenay learned from PSPS that Jamie had left the business one month after the delivery of the registered article in question. He also indicated in his report that a co-worker of Jamie's recalled Jamie mentioning that a parcel had been misdelivered.

Postal Inspector d'Artenay confirmed the information contained in his report by testimony at the arbitration hearing. Carrier Laywell also testified at the arbitration hearing and reaffirmed his statements made to the postal inspector.

On February 6, 1991, Postal Service issued a letter of demand to Grievant for \$25,000. The letter signed by Supervisor Stauffer stated in relevant part as follows:

In accordance with Article XXVIII of the National Agreement it is necessary to give you this Letter of Demand relative to the irregularities described below.

On 9-7-89 you signed for register article #387-08-2416, which was addressed to the Green Fire Trading Company, 8550 Production Road, San Diego, California 92121. You misdelivered this article to 8550 Production Road, Suite #B and even indicated on the PS 3849, (Delivery Receipt) an addressee of "Pool". The Green Fire Trading Company did not receive the registered article which contained a 5.5 carat emeral-cut emerald and was reimbursed \$25,000 for their loss.

Subsequent to this misdeliver, the U. S. Postal Inspection Service conducted an investigation of the misdeliver in an attempt to trace the whereabouts of the registered article. It was determined that you only asked the secretary, Jamie \_\_\_\_\_, at the Pool office in Suite A if the package was hers, whereupon she replied yes and you gave the article to her. The Inspection Service tried to locate Ms. \_\_\_\_\_, but was unsuccessful.

Section 335.11 of the M-41 City Carrier Handbook specifically indicates that registered articles are to be delivered to addressee or anyone authorized to receive mail for the addressee, your action of delivering this registered article to someone other than the addressee or someone authorized to receive the mail, caused the loss of the article. It

has been concluded that you did not exercise reasonable care in the handling of this piece of registered mail and are liable for it's loss. As such, this action will serve as a letter of demand in the amount of \$25,000. Contact with the accounting office will be necessary to establish a payment schedule to reimburse the U. S. Postal Service for the loss of the article and their reimbursement to the customer.

• • • (Jt. Ex. 3, p 23)

The Union filed two grievances on behalf of Beaugrand. The first challenged the letter of warning as without just cause. (Jt. Ex. 2, pp 9 - 12). Postal Service denied the grievance on the ground Grievant had in fact misdelivered mail contrary to the M-41 and Article 28, Section 2 of the National Agreement. (Jt. Ex. 2, pp 3, 7 - 8).

The second grievance protested the letter of demand because management and the postal inspectors did not investigate the matter in a timely manner. Further, Union alleged Grievant acted with reasonable care as the disputed parcel did not bear the correct address. (Jt. Ex. 3, pp 12 - 22). Postal Service denied the grievance on the grounds Grievant did not comply with M-41 when she delivered the parcel to a person other than the "addressee" and failed to secure identification from the person to whom the package was delivered. (Jt. Ex. 3, pp 3, 10 - 11).

The Union elevated both grievances to arbitration. The two grievances were combined for hearing before this Arbitrator. A hearing was held at which time both parties were offered the full

opportunity to present evidence and argue the case. The issues are now properly before the Arbitrator for decision.

IV. POSITION OF PARTIES

A. U.S. Postal Service

Postal Service takes the position that registered mail is the most secure item that can be mailed. As such, carriers are expected to use the utmost care to accomplish the correct delivery. Pursuant to Section 335.1 of the M-41, registered articles must be delivered to the addressee or someone authorized to receive mail for the addressee. If a person is not known to the carrier, regulations require identification to be obtained prior to delivery of the registered article. In the instant case the registered article was addressed to Green Fire Trading Company, not PSPS. The undisputed evidence is Grievant delivered the parcel to an employee at PSPS, and to a person not known to Grievant, without asking for identification. Since PSPS was not authorized to receive mail for Green Fire Trading Company, just cause existed to issue a letter of warning for improper handling of accountable mail.

Moreover, Article 28, Section 2 establishes the obligation of each employee to protect the mails entrusted to the employee. When an employee fails to "exercise reasonable care" in the delivery of mail, such employee is chargeable with financial liability for any loss. According to Postal Service, Grievant knew where the parcel was to be delivered but failed to leave the package as addressed. Postal Service rejects Grievant's claim that

asking the secretary, a person Grievant did not know, at PSPS, if the package belonged here, absolves Grievant from financial responsibility for misdelivery of a parcel addressed to Green Fire Trading Company.

Based on the foregoing, Postal Service submits Grievant failed to exercise reasonable care and the letter of demand was correctly issued in conformance with Article 28, Section 2 of the National Agreement. The Arbitrator should sustain the Postal Service and deny both grievances.

B. **NALC**

The Union takes the position that just cause did not exist to issue the letter of warning. Further, evidence adduced at the hearing revealed Grievant exercised due care in the way she handled the disputed parcel. Four basic facts argue in favor of Grievant's position in this case.

First, Grievant was a T-6 who did not carry the route on a regular basis. Green Fire Trading Company came into existence in March, 1989. Grievant was off work and not carrying mail for a number of weeks between March, 1989 and September 7, 1989. Grievant did not recall ever delivering mail to Green Fire Trading Company prior to September 7, 1989, when she relieved the regular carrier. Postal Service records established she never delivered accountable mail to Green Fire Trading Company.

Second, the parcel addressed to Green Fire Trading Company at 8550 Production Avenue did not specify Suite A or Suite B. In other words the address was incomplete.

Third, as of September 7, 1989, the building at 8550 Production Avenue bore no sign that identified Green Fire Trading Company as an occupant of either Suite A or Suite B.

Fourth, Grievant acted properly when she found the door locked at Suite A and proceeded to Suite B where she asked the secretary if this package belonged to PSPS. The secretary was known to Grievant as a person who received mail. After securing an affirmative response, Grievant correctly delivered the package after the secretary signed the Form 3849.

Union submits the combination of these four factors establish Grievant exercised reasonable care in delivering the disputed package.

The Union next argues management's investigation was both inadequate and untimely. Postal Service failed to make immediate contact with Jamie, the person to whom the package was delivered. It was not until two months later that Postal Inspector d'Artenay sought to contact Jamie. By this time Jamie no longer worked at PSPS and could not be located. Had the Postal Service moved immediately to contact the person who signed the Form 3849, the loss might have been avoided.

The inadequacy of the Postal Service investigation is further demonstrated by Supervisor Stauffer's assertion in the letter of warning that the parcel was "addressed to Greenfire at 8550 A Production." Postal Service records substantiated Grievant's claim that Suite A was not identified as the address of Green Fire Trading Company.

It is also the position of Union that the letter of demand issued on February 6, 1991, some one year and five months after the date of the incident of September 7, 1989, was untimely. There is nothing in the record to indicate the postal inspector did anything between the end of 1989 and January, 1991, when his report was finally issued. When the two month delay of the postal inspector in first getting around to the investigation is combined with the extended delay in getting out his final report, the investigation must be considered flawed.

The final argument of Union centered on disparate treatment. According to Union, other carriers had misdelivered accountable mail. However, they were not subject to disciplinary penalties or letters of demand.

Therefore, the Arbitrator should sustain both grievances and order the letter of warning and letter of demand rescinded and removed from Grievant's files.

V. **DISCUSSION AND FINDINGS**

There are two grievances before this Arbitrator. The first grievance alleges the letter of warning was issued without just cause. Since the letter of warning is a disciplinary action it is subject to the just cause test and must be reviewed by the Arbitrator within the context of the well-established principles of just cause.

The second grievance protests the issuance of the letter of demand to Grievant for \$25,000. The letter of demand is not a

disciplinary action in the traditional sense envisioned under the contract. In the Postal Service, discipline normally takes the form of a letter of warning, suspension or discharge. The title of Article 28 is "Employer Claims." Relevant to the letter of demand grievance is Section 2 which reads:

**Section 2. Loss or Damage of the Mails**

An employee is responsible for the protection of the mails entrusted to the employee. Such employee shall not be financially liable for any loss, rifling, damage, wrong delivery of, or depredation on, the mails or failure to collect or remit C.O.D. funds unless the employee failed to exercise reasonable care.

• • •  
(Emphasis added)

When management believes an employee has failed to exercise reasonable care, the Postal Service has a contractual right to hold the employee liable for any financial loss. Arbitral review of the letter of demand is within the framework of deciding whether or not "the employee failed to exercise reasonable care."

While the factors necessary to establish just cause for discipline and failure to exercise due care are similar, it does not follow that a finding of just cause for discipline automatically means the employee failed to exercise reasonable care. For example, an employee may be proven to have acted unreasonably in the performance of job duties which caused financial loss to the Postal Service. However, a single act of carelessness normally would not give the employer just cause to discharge the employee. In the instant case where a letter of

warning is involved, the elements of just cause and reasonable care are closely related, if not, identical.

The starting point in this case is the basic principle that a letter carrier is charged with the responsibility to protect "the mails entrusted to the employee." (Article 28, Section 2). In fulfilling this duty, mail must be "delivered as addressed" unless instructed to the contrary by the addressee. (Section 131.3 of the TL-1). If the mail to be delivered is "registered," additional duties are imposed on the carrier to deliver the mail to the "addressee or anyone authorized" to accept mail for the addressee. If the person is not known to the carrier, he or she is instructed to require identification before delivery. (M-41, Section 335.1). In plain language, the employee must exercise that care which a reasonably prudent letter carrier would do, under the same or similar circumstances.

The Arbitrator finds Grievant in the instant case did not comply with the rules on delivery in five respects. First, the Grievant did not deliver the registered parcel to the "addressee." The addressee in the instant case was Green Fire Trading Company, not PSPS. There is no dispute that Grievant delivered the parcel to PSPS rather than the addressee Green Fire Trading Company.

Second, Grievant had received no instructions from the addressee to deliver registered mail to anyone but the addressee.

Third, Grievant had no basis on which a reasonable carrier could conclude that PSPS was an authorized agent to accept "registered" mail on behalf of Green Fire Trading Company. No

person from Green Fire Trading Company issued such instruction to Grievant or did she receive such direction from the regular carrier. There is some evidence that the regular carrier had left a notice on his case that mail to Green Fire Trading Company was to be delivered to La Boulangerie. The regular carrier received specific instructions from the owners of the Bakery to deliver mail addressed to Green Fire Trading Company only to La Boulangerie. However, there is no evidence that instruction was ever relayed to Grievant, the T-6 on the route.

Fourth, Grievant failed to secure identification from the person to whom she ultimately delivered the "registered" mail. While Jamie was known as a person who received mail for PSPS, there was nothing which established Jamie with any indicia of authority to accept mail for Green Fire Trading Company. In the context of registered mail addressed to Green Fire Trading Company, Grievant's reliance on the word of Jamie, a person in the office of PSPS was not in conformance with the rules of delivery.

Therefore, the Arbitrator is compelled to conclude just cause existed to issue the letter of warning for "Improper Handling of Accountable Mail."

Turning to the letter of demand, the Arbitrator finds Grievant failed to exercise reasonable care when she misdelivered registered mail addressed to Green Fire Trading Company to PSPS on September 7, 1989, for the reasons stated in the discussion of the just cause issue. Because of Grievant's initial misdelivery of the registered parcel, a chain of circumstances was set in motion that

ultimately resulted in the loss of the registered parcel. However, the analysis does not end at this point for it still must be determined the extent of Grievant's liability. In the law of negligence there is doctrine known as "comparative negligence," where the damages are reduced where both parties are shown to be at fault. A similar doctrine is applied in the Postal Service where mitigating circumstances are often utilized to decrease the penalty imposed on an employee who has in fact committed a disciplinary offense.

Present in the record of this case are six factors, while not absolving Grievant of her failure to exercise reasonable care in the first instance, do mitigate against holding her solely responsible for the \$25,000 loss. First, the registered parcel in question did not bear a complete address. The street address for Green Fire Trading Company was correct. However, the sender failed to include a suite number on the address. There are two office suites at 8550 Production Avenue. The failure of the sender to place the suite designation on the address for Green Fire Trading Company certainly contributed to the loss of the package. Had the suite designation been included on the address label, this whole unfortunate incident might have been avoided.

Second, the business location of Green Fire Trading Company was not identified by a sign or other marking as of September 7, 1989. The signing at 8550 Production Avenue revealed only two businesses were present at the address, one in Suite A and the other in Suite B. Neither of those two businesses were

designated as the location of Green Fire Trading Company by the signs. When the lack of signing is combined with the incomplete address, the customers must share part of the blame for the loss of the parcel.

Third, the Grievant in the instant case is a T-6, who had limited experience delivering the route. The regular carrier gave her no special instructions with respect to Green Fire Trading Company deliveries even though the regular carrier personally had received specific instructions from Green Fire Trading Company regarding deliveries. The coupling of the factors mentioned above with Grievant's work assignment as a T-6 on the route mitigates against holding her totally liable for the \$25,000 loss.

Fourth, the confusion over the proper address even carried over to management in the letter of warning and letter of demand issued to Grievant. In the letter of warning, Stauffer wrote incorrectly the parcel was addressed to Greenfire at 8550 A Production, San Diego, 92130. It is undisputed that the "A" was not on the address label of the parcel.

A similar error is contained in the letter of demand where Stauffer wrote in relevant part as follows:

It was determined that you only asked the secretary, Jamie \_\_\_\_\_, at the Pool office in Suite A if the package was hers, whereupon she replied yes and gave the article to her.

(Jt. Ex. 3, p 23; Emphasis added)

The Pool office is located in Suite B. Where the person who issued the letter of demand and letter of warning has difficulty getting

the essential facts correct after having the benefit of an investigation by Maley and Postal Inspector d'Artenay, it is difficult for this Arbitrator to place the full responsibility for the financial loss on Grievant.

Fifth, particularly troubling in this case is the testimony of Supervisor Stauffer, who when responding to Union's claim of disparate treatment, defined reasonable care in terms of whether or not the loss of registered mail is ultimately recovered. Whether or not an employee fails to exercise due care has absolutely nothing to do with recovery, or lack of recover of the lost mail. The focus of the reasonable care question under Article 28, Section 2 is the employee's conduct which caused the misdelivery in the first place. On the other hand, the recovery of the lost item is relevant to the issue of the appropriate level of discipline and/or financial liability.

Stauffer explained that two other carriers who misdelivered registered mail were not disciplined. According to Stauffer, the difference between those two cases and the present grievance was the misdelivered mail was recovered. The condition for employee liability in Article 28, Section 2 is reasonable care, not whether the misdelivered mail is recovered.

The sixth and most important element that bears on Grievant's financial liability in this case is the Postal Service's delay in making contact with Jamie after it became known the disputed parcel had not been delivered to Green Fire Trading Company. The parcel was misdelivered on September 7, 1989. On

September 13, 1989, Stauffer was notified there was a problem with the delivery. Stauffer testified that no manager went to the delivery point or telephoned the delivery point to find out what happened to the package. Even though the Postal Service had the Form 3849, with Jamie's signature on the card, the testimony is that no manager attempted to make contact with Jamie.

The claim for loss was filed on October 5, 1989, by Freeman Gem Company. Postal Inspector d'Artenay got involved on or about October 25, 1989. It was not until after October 25, that PSPS was contacted. On contacting PSPS, d'Artenay learned that Jamie had left employment at PSPS, following the first week of October, 1989, for destinations unknown. Despite an extensive search by d'Artenay he could not locate Jamie or the missing emerald. The closest d'Artenay ever got to Jamie was a telephone call from her in May or June of 1990. During the conversation Jamie agreed to come in and talk with the postal inspector. However, Jamie did not show up for the scheduled interview. Jamie's whereabouts were still a mystery on the day of the arbitration hearing.

It strikes this Arbitrator that where the loss of a \$33,000 emerald is at stake, an immediate and instantaneous attempt to contact the point of delivery would be made to secure return of the misdelivered package. As the record before this Arbitrator stands neither management or the Postal Inspection Service attempted to contact Jamie for well over a month after learning of the lost parcel. By the time d'Artenay sought to interview Jamie,

she had disappeared. Had the authority of the Postal Service and its law enforcement powers been promptly and immediately brought to bear on Jamie, the chances of recovery of the parcel would have been substantially enhanced.

The delay in making contact with Jamie permitted the person to whom delivery of the disputed package had been made to disappear without investigation. As a direct consequence of the delay in the investigation, the chances of recovery of the emerald were diminished. Under such circumstances it would be unreasonable and unfair to hold Grievant entirely responsible for the \$25,000 loss to the Postal Service.

In sum, the Grievant failed to exercise due care in delivering the registered mail addressed to Green Fire Trading Company to PSPS on September 7, 1989. Since other persons contributed to the circumstances which caused the loss of the registered parcel, total responsibility for the \$25,000 loss is not properly chargeable to Grievant. Therefore, the Arbitrator concludes Grievant should be charged \$1,000 for her responsibility in allowing the registered mail to get into the wrong hands.

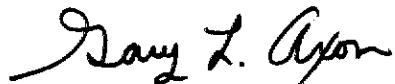
Accordingly, it will be the order of the Arbitrator to reduce the amount of the letter of demand to \$1,000.

AWARD

The Postal Service had just cause to discipline Grievant in the form of a letter of warning.

The Postal Service acted pursuant to Article 28, Section 2 when it issued the letter of demand. Because other persons contributed to the circumstances which caused the loss of the registered parcel, total responsibility for the \$25,000 loss is not properly chargeable to Grievant. Therefore, the Arbitrator orders the letter of demand shall be revised to reflect an amount of \$1,000 payable by Grievant.

Respectfully submitted,



Gary L. Axon  
Arbitrator

Dated: October 21, 1991