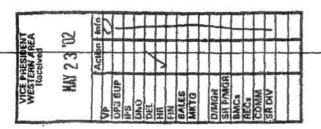
PARTY DISTRICT HULLICH RESOURCES



May 22, 2002



AGER OPS SUPPORT "+AH RESOURCES

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VICE PRESIDENTS, AREA OPERATIONS MANAGER, CAPITAL METRO OPERATIONS

SUBJECT: Reporting Relationships Involving Postal Spouses

As you know, situations in which a postal employee's direct supervisor is his or her spouse are problematic under the criminal conflict of interest law. Sometimes, even if there are a number of layers of supervision between the spouses, there may still be cause for concern, including the appearance of impropriety. For these reasons, situations involving reporting relationships between spouses should be promptly brought to the attention of the area Human Resources manager and analyzed on a case by case basis with help from the Law Department.

Under the criminal conflict of interest law, a postal employee may not take official action in any matter in which he has a personal or imputed financial interest. The financial interests of an employee's spouse are imputed to the employee. Thus, an employee may not participate in any official matter that will have a direct and predictable effect on his-or his spouse's-financial interests. Participating in any matter that affects or involves pay, workhours, awards, promotional opportunities, overtime, and even work assignments, depending on the circumstances, are considered to affect the spouse's—and thus the supervisory employee's—financial interests.

The closer the reporting relationship between spouses, the more obvious and significant the conflict of interest problem is. It is never appropriate for one spouse to report directly to the other. When the reporting relationship is more attenuated, however, there may be no need to move or reassign either employee to ensure compliance with the law. But because this is a criminal law, we must not take any chances. It is our responsibility to avoid putting-or keepingemployees in situations where they are in violation of a criminal statute.

As soon as a spousal reporting relationship comes to your attention, contact the Human Resources manager in your area. If necessary, he or she will involve the managing counsel of your area Law Office for an analysis and prompt resolution of the situation. Working in conjunction with Human Resources, the lawyers will recommend action appropriate to the specific situation.

Finally, as information, please be aware that the financial interests of an employee's minor children, outside employer, and certain others are also imputed to the employee. Since the Postal Service does not employ minors, only a reporting relationship involving a spouse may cause a conflict of interest concern under the criminal statute. But while reporting relationships between unmarried employees who share a household are not covered by the criminal statute, they are often problematic under the Standards of Ethical Conduct and postal policies. Please contact Human Resources or the Law Department for more information about how to about New York Situations involving members of the same household.

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Patrick ル. Donahoe

cc: Ms. dibbons, Ms. Medvidovich

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