UNITED STATES OF AMERICA

FEDERAL LABOR RELATIONS AUTHORITY

Office of Administrative Law Judges

WASHINGTON, D.C. 20424-0001

U.S. DEPARTMENT OF TREASURY INTERNAL REVENUE SERVICE Respondent	
and NATIONAL TREASURY EMPLOYEES UNION AND NATIONAL TREASURY EMPLOYEES UNION, CHAPTER 10 Charging Party	Case No. CH-CA-70101

NOTICE OF TRANSMITTAL OF DECISION

The above-entitled case having been heard before the undersigned Administrative Law Judge pursuant to the Statute and the Rules and Regulations of the Authority, the undersigned herein serves his Decision, a copy of which is attached hereto, on all parties to the proceeding on this date and this case is hereby transferred to the Federal Labor Relations Authority pursuant to 5 C.F.R. § 2423.26(b).

PLEASE BE ADVISED that the filing of exceptions to the attached Decision is governed by 5 C.F.R. §§ 2423.26© through 2423.29, 2429.21 through 2429.25 and 2429.27.

Any such exceptions must be filed on or before **SEPTEMBER 19, 1997**, and addressed to:

Federal Labor Relations Authority
Office of Case Control
607 14th Street, NW, 4th Floor
Washington, DC 20424-0001

GARVIN LEE OLIVER
Administrative Law Judge

Dated: August 20, 1997

Washington, DC

UNITED STATES OF AMERICA

FEDERAL LABOR RELATIONS AUTHORITY

Office of Administrative Law Judges

WASHINGTON, D.C. 20424-0001

MEMORANDUM DATE: August 20, 1997

TO: The Federal Labor Relations Authority

FROM: GARVIN LEE OLIVER
Administrative Law Judge

SUBJECT: U.S. DEPARTMENT OF TREASURY
INTERNAL REVENUE SERVICE

Respondent

and Case No. CH-CA-70101

NATIONAL TREASURY EMPLOYEES UNION AND
NATIONAL TREASURY EMPLOYEES UNION, CHAPTER 10

Charging Party

Pursuant to section 2423.26(b) of the Rules and Regulations, 5 C.F.R. § 2423.26(b), I am hereby transferring the above case to the Authority. Enclosed are copies of my Decision, the service sheet, and the transmittal form sent to the parties. Also enclosed are the transcript, exhibits and any briefs filed by the parties.

Enclosures

UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
Office of Administrative Law Judges
WASHINGTON, D.C. 20424-0001

U.S. DEPARTMENT OF TREASURY INTERNAL REVENUE SERVICE Respondent	
and NATIONAL TREASURY EMPLOYEES UNION AND NATIONAL TREASURY EMPLOYEES UNION, CHAPTER 10 Charging Party	Case No. CH-CA-70101

Denise Jarrett Dow
Counsel for the Respondent

Anne M. Dasovic
Counsel for the Charging Party

Susanne S. Matlin
Greg Weddle
Counsel for the General Counsel, FLRA

Before: GARVIN LEE OLIVER
Administrative Law Judge

DECISION

Statement of the Case

The Complaint and Notice of Hearing in this case alleges that the U.S. Department of Treasury, Internal Revenue Service (Respondent/IRS) violated section 7116(a)(1) and (5) of the Federal Service Labor-Management Relations Statute (the Statute), 5 U.S.C. § 7116(a)(1) and (5), by repudiating a written grievance settlement agreement resolving a grievance filed under the parties' collective bargaining agreement on behalf of a unit employee by the National Treasury Employees Union (NTEU/the Union), the employee's exclusive representa-tive. In its Answer, the Respondent admits that it entered into the written grievance settlement agreement and thereafter refused to comply with its terms, thereby repudiating the agreement, but denies

that such conduct constitutes a violation of the Statute as alleged in the complaint.

For the reasons explained below, I conclude that a preponderance of the evidence supports the alleged violation.

A hearing was held in Chicago, Illinois. The parties were represented and afforded full opportunity to be heard, adduce relevant evidence, examine and cross-examine witnesses, and file post-hearing briefs. Counsel for the Respondent, the General Counsel and the Charging Party all filed timely and helpful briefs.

Based on the entire record,[1] including my observation of the witnesses and their demeanor, I make the following findings of fact, conclusions of law, and recommendations.

Findings of Fact

A. The Parties' Relationship

NTEU is the certified exclusive representative for an appropriate unit of employees within the Respondent, including the professional and nonprofessional employees in the Respondent's Chicago Appeals Office. NTEU Chapter 10 is NTEU's agent for purposes of representing the unit employees in the Respondent's Chicago Appeals Office.

IRS and NTEU are parties to a national agreement covering unit employees in the National Office, Regions and Districts ("NORD"), including those in the Chicago Appeals Office. The subject of details to higher graded positions and/or duties is addressed by the parties in Article 16 of their national agreement and in two supplemental agreements. Article 16, entitled *Details*, states in Section 1B in part as follows:

> 1. An employee who is detailed to a position of higher grade for one (1) full pay period or more will be temporarily promoted, if eligible, and receive the rate of pay for the position to which temporarily promoted.
>
> 2. If an employee is not detailed to a position

[1] The unopposed motions to correct the transcript, filed by both Counsel for the General Counsel and Counsel for the Respondent, are granted; the transcript is corrected as set forth therein.

of higher grade, but who performs higher graded duties for twenty-five percent (25%) or more of his or her direct time during the preceding four (4) months, the Employer will temporarily promote the employee retroactive to the first full pay period if the employee meets the following criteria:

(a) the employee performed such higher graded duties at least at a level of skill and responsibility properly expected;

(b) the employee meets minimum OPM qualifications for the promotion to the next higher grade; and

© the employee meets time-in-grade requirements for promotion to the next higher grade.

In December 1993, the parties entered into a *Settlement Agreement* to resolve a national grievance on behalf of all IRS unit employees who had been "detailed to higher graded duties without benefit of a temporary promotion." In Article 1, Section 1, the parties agreed:

> An employee qualifies for a retroactive temporary promotion for the performance of higher graded work under Article 16 of NORD . . . on the basis of an analysis of the work of the employee for a period of time, as described in Section 2 below . . . .

Finally, in October 1994, the parties entered into a *Settlement Agreement for Additional Issues Arising Under the National Grievance on Higher Graded Duties* to provide the "resolution mechanism for a number of issues which surfaced from grievances filed pursuant to the parties' Higher Graded Duties Settlement Agreement." That *Settlement Agreement* provided in part:

> 1. Supervisory/Managerial Duties
>
> Employees who perform supervisory/managerial duties will receive a temporary promotion for the time spent performing those duties if:
>
> 1. the supervisory/managerial position is at a higher grade than the employee.

2. the employee performs the duties for one full pay period or more.

3. the employee is eligible for promotion.

B. The Grievance of Algis Nedas

On August 17, 1995, the Union filed a claim on behalf of unit employee Algis Nedas for a retroactive temporary promotion based on his performance of higher graded duties while detailed to serve as the Acting Associate Chief of Group 3 in the Westmont Appeals Office[2] from March 1, 1991 through October 31, 1992. According to John Joannides, the Union steward who filed the claim, Mr. Nedas was entitled to the retroactive temporary promotion--even though he was a GS-14 Appeals Officer at the time that he was detailed to replace a GS-14 Associate Chief--because Nedas had supervised at least four GS-14 employees while serving as Acting Associate Chief.[3]

Alan Panozzo, Associate Chief of the Westmont Appeals Office and the management official with whom Mr. Joannides filed the Nedas claim, responded by memorandum dated August 18, 1995, by asking Joannides to provide certain information. Specifically, Panozzo asked for the names of the two GS-13 Appeals Officers whom Nedas claimed had been detailed to perform GS-14 duties in the Westmont office while Nedas was serving as their Acting Associate Chief in 1991 and 1992; the specific duties that Nedas performed during that period; the amount of Appeals Officer duties Nedas performed during that period when not performing Associate Chief duties; and whatever support the Union had for the claim that an Associate Chief supervising four GS-14 Appeals Officers was entitled to a GS-15 Associate Chief position.

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[2] The Westmont office was then part of the Chicago Appeals Office, but was closed in March 1997, as part of an agency reorganization.

[3] The undisputed record evidence indicates that there are two position descriptions for Associate Chief, one at the GS-14 level and the other at the GS-15 level. It appears that the essential distinction between them is that the GS-14 Associate Chief supervises no more than two GS-14 Appeals Officers while the GS-15 Associate Chief supervises three or more such employees.

By memorandum dated October 19, 1995, Joannides responded to Panozzo's questions. He identified Irv Solomon and William Hartzell as the two employees who had been detailed to perform GS-14 Appeals Officer duties under the supervision of Algis Nedas and supplied supporting documentation4; identified the full-time duties performed by Nedas while acting as Associate Chief, noting that Nedas had virtually no time to work on his own inventory of cases as an Appeals Officer during that time; and specified the General Schedule Supervisory Guide issued by the U.S. Office of Personnel Management (OPM) as support for the claim that supervising at least three GS-14 Appeals Officers entitled Nedas to a GS-15 position.

Joannides inquired about the status of the Nedas claim for a retroactive temporary promotion on a number of occasions following his memorandum and supporting documents to Panozzo in October 1995. Thus, Joannides and Panozzo agreed to hold the Nedas grievance in abeyance while Panozzo submitted the claim to the agency's labor relations specialists for review. Thereafter, from October 1995 to July 1996, Joannides would call Panozzo and Labor Relations Specialist Mark Morgan in Chicago for status updates. In April 1996, Morgan indicated to Joannides that the Nedas claim had been referred to the Respondent's national office in Washington, D.C. for review, and that he (Morgan) expected the claim to be approved. In July 1996, while Joannides was present at the Westmont office, Panozzo approached and notified him that the Nedas claim had been approved but that Panozzo needed a breakdown of the number of hours each pay period that Nedas spent on management duties and case-related duties. Joannides provided that information to Panozzo on July 25, 1996.

Thereafter, at the Respondent's insistence, a written settlement agreement was prepared by management and signed on August 7, by Nedas; his Union representative Joannides; Associate Chief Panozzo; and the Chief of the Chicago

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4 These two employees had been classified as GS-13s while they were being supervised by Nedas, but subsequently submitted claims that they were performing higher graded duties during that period and were awarded retroactive temporary promotions to GS-14s Appeals Officers before Nedas submitted his claim in August 1995.

Appeals Office, Robert J. Neurater, on August 9, 1996.[5] According to Joannides, the Respondent was concerned that the Nedas claim should not be used as precedent for future claims, and thus included a provision in the settlement agreement specifying that it "does not establish a precedent and shall not be used . . . to seek or justify similar other terms . . . and shall not be admissible in any other proceeding." The agreement also specified the understanding of all parties that the settlement did not constitute an admission as to the validity of either the Nedas claim or the Respondent's position. With those understandings, the settlement agreement granted Nedas a retroactive temporary promotion to the GS-15 level for the period June 2, 1991 through July 25, 1992.[6]

C. Respondent Repudiates the Settlement Agreement Concerning the Nedas Grievance

The above-described Nedas settlement agreement was submitted for implementation to Thomas T. Kuntz in late August or early September 1996. Mr. Kuntz is the Regional Director for the Respondent's Mid-States Region, which includes the Appeals Office involved in this case, and is the management official authorized to sign the Form 52 temporarily promoting Nedas to the GS-15 level retroactively. Kuntz testified that, upon receipt of the Nedas settlement agreement, he "thought it odd that we were . . . granting a promotion for somebody who had acted as a manager when just a few months earlier we ha[d] an agency grievance from a Grade 14 [A]ssociate [C]hief who also had the same circumstances and it was denied."[7] Thinking there was a conflict, Kuntz consulted his labor relations analyst and was given a copy of the IRS-NTEU national settlement agreement on higher graded duties. After reviewing that agreement, Kuntz concluded that the

[5] According to Joannides, who had signed several such agreements, it was very unusual for the Chief of the Appeals Office to sign; ordinarily, only the immediate manager (i.e., Panozzo in this instance) would sign the agreement for management.

[6] Joannides testified that Nedas agreed to the settlement even though his claim was not being honored for the period February through May 1991.

[7] Kuntz testified that he had been directly involved in denying the agency grievance submitted by a supervisor in the Oklahoma City Appeals Office who was not in the bargaining unit and therefore not covered by the NORD agreement between IRS and NTEU which covered Nedas.

Respondent was wrong in granting Nedas a retroactive temporary promotion because Nedas had not been acting for a manager who was in a higher grade--they were both at the GS-14 level. Accordingly, based solely on his own interpretation of the language in the IRS-NTEU national settlement agreement, Kuntz decided to reject the Nedas settlement agreement.

News that Kuntz had repudiated the Nedas settlement agreement reached Joannides on October 28, 1996, in the form of an e-mail message from Panozzo attaching an earlier e-mail sent to Panozzo on October 16 by Deborah Carruthers, Kuntz's staff assistant. After telling Panozzo why Kuntz rejected the Nedas settlement agreement, Carruthers added: "I'm sorry if I mislead (sic) you earlier by authorizing the settlement based on N.O.'s [i.e., National Office's] earlier advice." In his e-mail to Joannides, Panozzo stated: "Below is the bad news I found waiting for me when I returned from leave. I don't know what to say."

Joannides apparently did not have the same difficulty in expressing his thoughts. He telephoned Kuntz the day after receiving Panozzo's e-mail and stated that Kuntz was precluded from rejecting the written Nedas settlement agreement because it was binding on all parties, and urged Kuntz to check this out with his regional attorneys and call him back. Kuntz promised to do so. On November 13, 1996, Joannides inquired by e-mail whether Kuntz had been advised by his regional attorneys about the finality of the Nedas settlement agreement and when Nedas could expect to be paid. On November 14, Kuntz responded by e-mail to Joannides as follows: "After our phone conversation I asked for clarification on the issue but have still not received an answer. I'll have Dee Carruthers follow up." Joannides never heard from Kuntz again concerning the matter, and Nedas was never retroactively promoted or paid under the terms of his settlement agreement with the Respondent. As Joannides testified, "this is the first time they've ever repudiated an agreement like this."

Discussion and Conclusions

A. Respondent Repudiated the Nedas Settlement Agreement

As previously stated, the complaint in this case alleges that the Respondent violated section 7116(a)(1) and (5) of the Statute by repudiating the grievance settlement agreement executed by the parties on August 7 and 9, 1996, which agreement provided that Algis Nedas would receive a retroactive temporary promotion to the GS-15 level from June 2, 1991 through July 25, 1992. Respondent's answer

admits, and I find, that the Respondent repudiated and failed to comply with the terms of the foregoing grievance settlement agreement. Thus, as the Authority has held, a repudiation occurs when the breach of an agreement is clear and patent and the provision breached goes to the heart of the parties' agreement. *See Department of the Air Force, 375th Mission Support Squadron, Scott Air Force Base, Illinois*, 51 FLRA 858, 862 (1996)(*Scott AFB*); *Department of the Air Force, Warner Robins Air Logistics Center, Robins Air Force Base, Georgia*, 52 FLRA 225, 230-31 (1996), and cases cited. In this case, the Respondent clearly and patently breached the written settlement agreement in the Nedas grievance case by rejecting and refusing to honor any of its terms, and such breach went to the heart of the parties' agreement since the Respondent refused to comply with the settlement agreement in its entirety. *Defense Logistics Agency, Defense Distribution Region East, New Cumberland, Pennsylvania*, 50 FLRA 282, 292 (1995)(*DLA*).

The answer further states that the Respondent is without sufficient knowledge or information concerning the date of such repudiation and subsequent noncompliance. I find, based on the uncontroverted record evidence, that the repudiation occurred on October 28, 1996, when Associate Chief Panozzo notified Union representative Joannides by e-mail that the Respondent's Regional Director for the Mid-States Region, Thomas Kuntz, had rejected the written settlement agreement in the Nedas case. While Kuntz may have promised Joannides in November 1996 to check with the Respondent's labor relations attorneys concerning the impropriety of rejecting the Nedas settlement agreement, it is clear that the October 28, repudiation was never retracted.

The Authority has held that the repudiation of a written grievance settlement agreement constitutes a violation of section 7116(a)(1) and (5) of the Statute. *DLA*, 50 FLRA at 292; *Department of Defense Dependents Schools*, 50 FLRA 424, 426-27 (1995)(*DODDS*). However, if the agreement is contrary to law, rule or regulation, the refusal to honor it is not an unlawful repudiation and therefore does not constitute an unfair labor practice under the Statute. *DLA*, 50 FLRA at 288-89; *see also General Services Administration, Washington, D.C.*, 50 FLRA 136, 137 (1995).

B. The Settlement Agreement Did Not Violate the Back Pay Act

In this case, the Respondent contends that its repudiation of the Nedas grievance settlement agreement is

justifiable because the agreement is illegal and unenforceable under the Back Pay Act, 5 U.S.C. § 5596. More specifically, the Respondent asserts that no applicable nondiscretionary agency policy exists which would require Nedas to receive a temporary promotion for the period of his detail, and that there is thus no basis for his claim to backpay. For the reasons set forth below, I reject the Respondent's contention.

As the Respondent recognizes, the Authority has held that there exists an exception to the general rule that an employee is entitled only to the salary of the position to which the employee actually is appointed "where the parties to a collective bargaining agreement agree to make temporary promotions mandatory for details to higher grade positions, thereby establishing a nondiscretionary agency policy which would provide a basis for backpay." *U.S. Department of the Navy, Long Beach Naval Shipyard, Long Beach, California and International Federation of Professional and Technical Engineers, Local 174*, 37 FLRA 1111, 1119 (1990). I find that the Respondent and NTEU have satisfied such requirement in this case. Thus, as quoted above, Article 16 of their NORD agreement and their two national settlement agreements all establish the principle that employees detailed to higher graded positions *will be temporarily promoted, if eligible, and receive the rate of pay for the position to which temporarily promoted.*

The only real question is whether Nedas was in fact detailed to a higher graded position and therefore was eligible for the temporary promotion and higher rate of pay. In my judgment, that question was resolved when the parties entered into the grievance settlement agreement on August 7 and 9, 1996. Thus, the Nedas grievance was filed in August 1995, well after the NORD agreement and both national settlement agreements had been negotiated with respect to unit employees' entitlements to retroactive temporary promotions for details to higher graded positions. All information requested by management to support the claim was submitted in a timely manner by Nedas through his Union representative. The claim was referred to the Respondent's national office for analysis. The entire process took about a year and resulted in a written agreement drafted by the Respondent and signed by the grievant, his Union representative, and two authorized management officials in the Chicago Appeals Office.[8] The agreement itself specified that Nedas was to receive a retroactive temporary promotion to the GS-15 level without setting a precedent for other

[8] Respondent has never claimed that Neurater and Panozzo lacked the authority to settle the Nedas grievance.

cases or admitting the validity of any claims made by either party.9

Under remarkably similar circumstances in *DLA*, the Authority adopted the Chief Judge's conclusion that no violation of the Back Pay Act had been established, and that the agency violated the Statute by repudiating a voluntary grievance settlement agreement which temporarily promoted grievants with back pay for the periods that they performed the duties of a higher graded position. In rejecting the contention that the settlement agreement violated the Back Pay Act, the Chief Judge concluded that the settlement agreement constituted an implicit admission by the agency that an unjustified and unwarranted personnel action had occurred which affected the grievants and directly resulted in their loss of pay. The Chief Judge further concluded that it was unnecessary for the agency to have explicitly admitted error in denying the grievants temporary promotions with back pay, since "[s]ettlement of such claims . . . would appear to be impossible if it must include an explicit, written 'administrative determination' that an unjustified or unwarranted personnel action occurred which

9 At the hearing, the differences between the parties were well stated by a negotiator for the Respondent, Jeanne Morrison, and a negotiator for NTEU, Steven Payne. Morrison testified that the Respondent intended--in the 1994 *Settlement Agreement for Additional Issues*--that employees performing supervisory and/or managerial duties would receive a temporary promotion only if the supervisory or managerial position was at a higher level than the employee's regular position. Payne testified that NTEU never would have agreed to a provision whereby the duties that unit employees performed on such details to supervisory or managerial positions made no difference in terms of their earning temporary promotions, and that the language of the 1994 *Settlement Agreement for Additional Issues* did not supersede but merely supplemented the earlier agreements between the parties regarding details to higher graded duties. Both negotiators acknowledged that the language relied upon by the Respondent in the 1994 *Settlement Agreement for Additional Issues* had been agreed upon without discussion or clarification between the parties. I find it unnecessary to determine the meaning of the disputed provision in the circumstances of this case, given the parties' agreement to resolve the Nedas grievance on a non-precedential basis and without regard to whose interpretation is correct. *See Scott AFB,* 51 FLRA at 862 ("[I]t is not always necessary to determine the precise meaning of the provision in order to analyze an allegation of repudiation.")

gives rise to statutory entitlement to be made whole under the Back Pay Act." *DLA*, 50 FLRA at 291.

Finally, even if the Respondent's interpretation of the disputed language in the parties' 1994 *Settlement Agreement for Additional Issues* were correct, and even if Kuntz would have been entitled to reject the Nedas settlement agreement on that basis (despite its not qualifying as a law, rule or regulation), the Respondent could not properly take such

action almost three months after the parties settled the Nedas grievance. *See DODDS*, 50 FLRA at 425, 435 ("because the Respondent did not take action in accordance with section 7114© of the Statute to disapprove the [grievance] settlement agreement within 30 days of its execution, the agreement became binding on the Respondent.").

C. The Appropriate Remedy

Accordingly, I conclude that the Respondent violated section 7116(a)(1) and (5) of the Statute by repudiating the Nedas settlement agreement in the circumstances of this case. Therefore, I shall recommend a remedy, consistent with the Back Pay Act and remedial orders issued in like cases, which directs the Respondent to comply with the terms of the settlement agreement executed by the parties on August 7 and 9, 1996, and to pay Nedas interest on the amount of backpay due him for the period June 2, 1991 through July 25, 1992 from the date of the Respondent's repudiation of the agreement (i.e., October 28, 1996) to the date when payment is made. *See DLA*, 50 FLRA at 292-93. Further, I will order the remedial Notice to be signed by Regional Director Kuntz, as requested by the General Counsel, since he was the Respondent's official who repudiated the Nedas settlement agreement. However, I will not order the Notice to be posted throughout the entire 12-state area which comprises the Mid-States Region. In my view, such a posting is unnecessary to remedy the violation in this case, which, all parties acknowledge, has never happened before.

ORDER

Pursuant to section 2423.29 of the Authority's Rules and Regulations and section 7118 of the Statute, it is hereby ordered that the United States Department of Treasury, Internal Revenue Service, shall:

1. Cease and desist from:

(a) Refusing to honor and abide by a grievance settlement agreement reached with the National Treasury Employees Union, Chapter 10, the agent of the exclusive representative of certain of its employees, on August 7 and 9, 1996, requiring the retroactive temporary promotion of Algis Nedas to the GS-15 level for the period June 2, 1991 through July 25, 1992, and the payment of backpay at the higher rate for that period.

(b) In any like or related manner interfering with, restraining or coercing its employees in the exercise of the rights assured them by the Federal Service Labor-Management Relations Statute.

2. Take the following affirmative action in order to effectuate the purposes and policies of the Statute:

(a) Honor and abide by the terms of the grievance settlement agreement reached with the Union on behalf of employee Algis Nedas on August 7 and 9, 1996.

(b) In accordance with the Back Pay Act, 5 U.S.C. § 5596, make whole employee Algis Nedas for the amount of pay he lost as a result of not having been temporarily promoted to the GS-15 level from June 2, 1991 through July 25, 1992, plus interest thereon from October 28, 1996, to the date that such payment is made.

© Post at its Chicago Appeals Office where bargaining unit employees represented by NTEU are located, copies of the attached Notice on forms to be furnished by the Federal Labor Relations Authority. Upon receipt of such forms, they shall be signed by the Regional Director for the Mid-States Region, and shall be posted and maintained for 60 consecutive days thereafter, in conspicuous places, including all bulletin boards and other places where notices to employees are customarily posted. Reasonable steps shall be taken to ensure that such Notices are not altered, defaced, or covered by any other material.

(d) Pursuant to section 2423.30 of the Authority's Rules and Regulations, notify the Regional Director of the Chicago Region, 55 West Monroe, Suite 1150, Chicago, Illinois 60603, in writing, within 30 days from the date of this Order, as to what steps have been taken to comply.

Issued, Washington, DC, August 20, 1997.

_____
GARVIN LEE OLIVER
Administrative Law Judge

NOTICE TO ALL EMPLOYEES

POSTED BY ORDER OF THE

FEDERAL LABOR RELATIONS AUTHORITY

The Federal Labor Relations Authority has found that the United States Department of Treasury, Internal Revenue Service, violated the Federal Service Labor-Management Relations Statute and has ordered us to post and abide by this Notice.

We hereby notify our employees that:

WE WILL NOT refuse to honor and abide by a grievance settlement agreement reached with the National Treasury Employees Union, Chapter 10, the agent of the exclusive representative of certain of our employees, on August 7 and 9, 1996, requiring the retroactive temporary promotion of Algis Nedas to the GS-15 level for the period June 2, 1991 through July 25, 1992, and the payment of backpay at the higher rate for that period.

WE WILL NOT in any like or related manner interfere with, restrain or coerce our employees in the exercise of their rights assured them by the Federal Service Labor-Management Relations Statute.

WE WILL honor and abide by the terms of the grievance settlement agreement reached with the Union on behalf of employee Algis Nedas on August 7 and 9, 1996.

WE WILL, in accordance with the Back Pay Act, 5 U.S.C. § 5596, make whole employee Algis Nedas for the amount of pay he lost as a result of not having been temporarily promoted to the
GS-15 level from June 2, 1991 through July 25, 1992, plus interest thereon from October 28, 1996, to the date that such payment is made.

_____
(Agency or Activity)

Date: _____ By:

_____
(Signature) (Title)

This Notice must remain posted for 60 consecutive days from the date of posting and must not be altered, defaced or covered by any other material.

If employees have any questions concerning this Notice or compliance with any of its provisions, they may communicate directly with the Regional Director, Chicago Regional Office, Federal Labor Relations Authority, whose address is: 55 West Monroe, Suite 1150, Chicago, Illinois 60603-9729, and whose telephone number is: (312) 353-6306.

CERTIFICATE OF SERVICE

I hereby certify that copies of the Decision in Case No.
CH-CA-70101, issued by GARVIN LEE OLIVER, Administrative Law Judge, were sent to the following parties:

CERTIFIED MAIL, RETURN RECEIPT	**CERTIFIED NOS.**
Susanne Matlin, Esquire Federal Labor Relations Authority 55 W. Monroe Street, Suite 1150 Chicago, Il 60603	P600-695-379
Greg Weddle, Esquire Federal Labor Relations Authority 55 W. Monroe Street, Suite 1150 Chicago, Il 60603	P600-695-380
Anne Dasovic, Assistant Counsel National Treasury Employees Union 111 W. Washington, Street, Suite 855 Chicago, IL 60602	P600-695-381
Denise Jarrett Dow, Senior Attorney Internal Revenue Service 200 W. Adams Street, Suite 2400 Chicago, Il 60606	P600-695-382

REGULAR MAIL:

Assistant Director
Office of Personnel Management
1900 E Street, NW.
Washington, DC 20415

_____

Dated: August 20, 1997
Washington, DC