Host:
Welcome to the US Postal Service. Office of Inspector General's pushing the envelope. Official podcasts. I'm your host, Julian Santos.
Let's start with something we all do. Printing a shipping label or buying postage online. But here's the twist. What if that stamp or label isn't real? Counterfeit postage has moved from a niche problem to a systemic one. It can derail deliveries and cost the postal service billions.
Today, my guest is Tasos Kalfas, an auditor with the OGS Office of Audit is going to walk us through his team's report on the efforts to mitigate counterfeit postage, which comes on the heels of a series of management alerts on counterfeit trends and fraud. Tasos, thanks for being here.

Guest:
Yeah, good to be here.

Host:
Okay. Before we dive in. Let's start with the basics. What is counterfeit postage?

Guest:
Counterfeit postage is essentially any piece of postage that is made to look like the real one, but for which the Postal Service actually hasn't gotten any revenue for. Right. Like it's a fake stamp. It's a fake package label. And the OIG, we did work in both spaces. We looked at counterfeit stamps and at counterfeit labels. And across those two projects, we identified almost $5.8 billion in revenue impacts.

Host:
So, what are these fake labels currently costing the Postal Service, and how long has this been an issue?

Guest:
It's been an issue for a while. And over the course of the Counterfeit Labels project, which I'll talk about since that's my team's work, we found $3.1 billion in revenue loss over a two year period. Now, the good news is the volume has fallen since December 2025 after the Postal service put new controls in place. But still, in the audit, we found that from October 2023 through February 2026, 97% of counterfeit labels were still processed for delivery.

Host:
Okay, Tasos I got to make sure I understand this correctly. $5.8 billion in revenue impact across fraudulent labels and stamps. 3.1 billion of that was historical revenue lost due to counterfeit labels in two years. And then 97% of counterfeit labels were processed for delivery. Is that right?

Guest:
Yeah. That's correct.

Host:
Wow. Okay, so for our listeners right now, where does this show up in their life?

Guest:
There's a few ways they could show up in our listeners lives. If you use labels and stamps in the regular course of your business, and you buy those online on a social media or an e-commerce website. Chances are that's a fake stamp or fake postage label, and it's best to buy directly from the Postal service or an approved postal provider. Also,just for regular buyers out there, if a shipper uses a counterfeit label on their package, it could be intercepted by the postal service and not delivered.

Host:
So it sounds like if a label or stamp deal that looks too good to be true, it probably is.

Guest:
Yep. Do not buy your stamps and postage labels on social media websites.

Host:
Okay, so let's talk about your audit. Your team made 11 recommendations in your recent report, on top of a series of audit and management alerts issued by other audit teams addressing things like counterfeit postage, emerging fraudulent package label trends, fake stamps, and more. Without walking through each one. What stood out to your team when you conduct your audit for this report?

Guest:
11 recommendations is a lot. So I'll condense it down into four main focus areas. The first one is that we recommended the Postal Service established key programmatic and their efforts against counterfeit labels, especially implementing key elements of program management. We also made recommendations that the Postal Service addressed the control vulnerabilities in their intercept process. And technology is also a big part of the counterfeit postage issue. And we made a recommendation to the Postal Service to collaborate with our industry partners on potential solutions in this space. Finally, we looked at how the Postal Inspection Service, the law enforcement agency for the Postal Service, tackled the counterfeit postage issue and we made recommendations to improve their enforcement efforts.

Host:
Okay. Walk us through how these fake labels are created or at what point they enter the millstream.

Guest:
Yeah. If you dig into a report, you can see figure nine in there. And it talks about how counterfeit labels get into the mainstream. There's really two ways. One, a label is printed overseas and applied to goods shipped into the United States via freight. And if it clears customs then it gets entered into the postal service network. The other way is, if a label is printed in the United States, put on goods and then entered into the postal service network here.

Host:

Okay. So what are the financial stakes here for the Postal Service? I know we talked about the $5.8 billion revenue impact, but what are the other stakes?

Guest:
When we take into account the entire picture of the Postal Service's financial condition? In 2025, the Postal Service had a $9 billion net loss, and that same year it faced $1.6 billion in counterfeit postage. And that's really the bottom line here, is that fraudulent labels increase the agency's costs, are unfair to paying customers, and really can have a financial impact on the Postal Service.

Host:
We talked about what you conducted in your audit. What was your biggest takeaway?

Guest:
I think the biggest takeaway for us was that it's important to report fraud trends early and often. As we went through the audit, we noticed that fraudsters started to shift their methods over time. They started with one particular type of counterfeit label and then emerged into other types. And that's where we started to use a cool product called the Management Alert, which is a quick hit report that we can issue the management and alert them of things that they need to take action on immediately. And what was really cool about our project is that we were able to issue three minutes with alerts as fraudsters shifted their methods over time.

Host:
Okay. Final thoughts Tasos, what's the big takeaway you want our listeners to know?

Guest:
Really, the big takeaway is that the Postal Service means business. And if you use counterfeit postage, you might end up paying a higher price, facing prison time and or paying restitution to the postal service. For the part, we found the issue to be important enough to create a new team called the Fraud Analytics and Intelligence Monitoring Team, and we're going to be monitoring all of the counterfeit postage efforts and other fraud schemes as they emerge.

Host:
Tasos, thanks for joining us.

Guest:
Thanks for having me.

Host:
If you'd like to go a little deeper, you can read this auto report and affiliated Management alerts at www.uspsoig.gov which we also link in the episodes' description. And don't forget to like, follow and share so you never miss an episode. This has been pushing the Envelope podcast. I'm Julian Santos and that's a stamp on this episode.

Guest:
And that's a real stamp on the episode.

Host:
That's right. Thanks for listening.