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Highlights

Objective

Our objective was to determine whether the U.S. Postal Inspection Service, Washington Division, implemented effective controls for case management, accountable property, and training.

Based on a fiscal year (FY) 2020 risk analysis of closed, jacketed cases, case workhour data, the number of hotline referrals, and National Compliance Review occurrences, we selected the Washington Division for review. A jacketed case is opened when there is an indication or occurrence of criminal activity warranting further investigation.

The mission of the Postal Inspection Service is to support and protect the U.S. Postal Service and its employees, infrastructure, and customers; enforce the laws that defend the nation's mail system from illegal or dangerous use; and ensure public trust in the mail. Postal inspectors are federal law enforcement agents responsible for enforcing more than 200 federal statutes that concern the Postal Service and the U.S. mail.

Postal inspectors use the Case Management System (CMS) database to document and track case activities. The Property Evidence Acquisition Program in CMS tracks property and evidence obtained during investigations. Postal inspectors are also assigned accountable property, such as firearms and vehicles, to perform their work.

The Washington Division has 79 postal inspectors and 60 postal police officers. In FY 2020, the Washington Division closed 203 jacketed cases. We reviewed a random sample of 60 jacketed cases that were closed in FY 2020.

Findings

The Washington Division ensured that all postal inspectors and postal police officers met all required firearms and threat management training. However, we found inconsistencies in employees following case management and accountable property policies.

Washington Division Postal inspectors did not issue required Inspection Service Communications (ISCOM) for 11 of 25 cases (44 percent) in FY 2020. These electronic communications describe investigative activities and inform headquarters of ongoing and completed field investigations. Postal Inspection Service policy requires ISCOMs to communicate case-specific information of a priority nature and only for investigative matters meeting specific criteria. The absence of ISCOMs occurred because postal inspectors' and team leaders' interpretations of the requirements for issuing ISCOMs for significant events were inconsistent with current policy. When ISCOMs are not sent, this could result in National Headquarters not being aware of significant ongoing and completed field investigations. In addition, information in ISCOMs can assist investigators in other divisions and help develop and track trends. Without sufficient communication, postal inspectors may not be equipped with the factual information needed to investigate cases.

In addition, postal inspectors did not attach required field notes for 14 of 40 cases (35 percent). Postal Inspection Service policy requires postal inspectors to prepare field notes to document all significant matters that occur in an investigation. This occurred because management stated that some cases don't require field notes and postal inspectors can use a Memorandum of Interview template instead. In addition, rather than attaching field notes, some postal inspectors entered these notes directly into investigative details in CMS, resulting in inconsistent use of field notes.

A postal inspector's field notes can be used in court proceedings during testimony. However, when postal inspectors are not adequately documenting investigative activities through field notes, they risk relying on alternative documentation when testifying to recall events that occurred months or, sometimes, years ago, which could affect their testimony.

Postal inspectors also did not consistently retain all required documents or maintain fully operational equipment in law enforcement vehicles. Specifically, we found that:

- While 18 of 19 (95 percent) postal inspectors properly completed their longterm home-to-work vehicle authorizations, one of 19 (5 percent) did not have an active authorization.
- Two of 20 (10 percent) vehicles did not have current vehicle registrations.
- Two of 20 (10 percent) vehicles had two-way mobile radios which were unable to reach the Inspection Service communication network.

These issues occurred because of management's lack of timely corrective action on vehicle requirements. During the audit, management took corrective action by issuing a reminder to all Washington Division inspectors to follow safety requirements when operating a vehicle, obtaining current vehicle registrations, and repairing two-way mobile radios to address these issues; therefore, we are not making recommendations on these issues.

While 62 of 64 (97 percent) pieces of high-value evidence were verified, the disposal of two pieces of cash evidence, valued at \$30,000 and \$6,000, was not accurately recorded in the evidence system. This occurred because the cash evidence was deposited into the Inspection Service forfeiture holding account, but the general analyst did not properly record the disposal of evidence in the system. Further, the evidence control officer's physical inventory of high-value evidence which might have identified this issue was not required in FY 2020 due

to COVID-19. When high-value evidence is incorrectly recorded, a subsequent verification could determine if a potential loss or mishandling of the listed evidence has occurred. The general analyst took corrective action by verifying that the disposals of the cash evidence were properly recorded; therefore, we are not making a recommendation on this issue.

Finally, an Inspection Service operations technician did not maintain individual control over spare evidence keys. This occurred because management had no formal key security protocol in place for spare evidence keys. Lack of controls around the issuance of spare evidence keys may result in theft, tampering, or misuse of secured evidence.

During the audit, management took corrective action by creating a memorandum titled *Washington Division DHQ Evidence Key Security Protocol*, which outlines the new controls around the spare evidence keys and the roles and responsibilities of the evidence key custodian. Therefore, we are not making a recommendation on this issue.

Recommendations

We recommended management review and update *Case Management Reporting Guidelines and the Inspection Service Manual* with current Inspection Service Communications requirements and define what constitutes a field note and when it is required.

Additionally, we recommended management create a process to ensure that all vehicle long-term home-to-work authorizations are current.

Transmittal Letter



April 16, 2021

MEMORANDUM FOR: GARY R. BARKSDALE

CHIEF POSTAL INSPECTOR

PETER RENDINA

INSPECTOR-IN-CHARGE, WASHINGTON DIVISION

Margaret B. McDavid

FROM: Margaret B. McDavid

Deputy Assistant Inspector General

for Inspection Service and Information Technology

SUBJECT: Audit Report – U.S. Postal Inspection Service Washington

Division (Report Number 21-005-R21)

This report presents the results of our audit of the U.S. Postal Inspection Service Washington Division.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Erica Wallace, Acting Director, Inspection Service, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management Postmaster General

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the U.S. Postal Inspection Service Washington Division (Project Number 21-005). Our objective was to determine whether the U.S. Postal Inspection Service Washington Division implemented effective controls for case management, accountable property, and training.

The U.S. Postal Service
Office of Inspector General
(OIG) has a statutory
requirement to oversee
all activities of the Postal
Inspection Service. We
plan to conduct similar
reviews of other Postal
Inspection Service
divisions in the future. See
Appendix A for additional
information about this audit.

"The Postal Inspection Service is comprised of 17 divisions nationally. The Washington Division has 79 postal inspectors and 60 postal police officers. During FY 2020, the Washington Division closed 203 jacketed cases."

Background

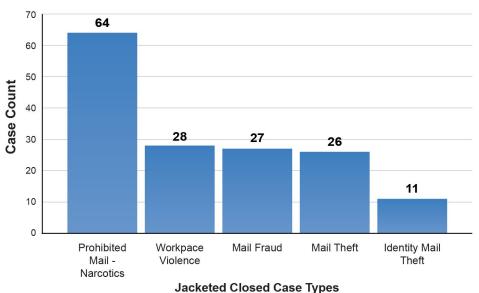
The mission of the Postal Inspection Service is to support and protect the U.S. Postal Service and its employees, infrastructure, and customers; enforce the laws that defend the nation's mail system from illegal or dangerous use; and ensure public trust in the mail. Postal inspectors are federal law enforcement agents responsible for enforcing over 200 federal statutes that concern the Postal Service and the U.S. mail.

Postal inspectors use various tools and resources to carry out their mission, including the Case Management System (CMS), an online database used to open and close cases and document and track case activities. The Property Evidence Acquisition Program is the evidence system in CMS postal inspectors

use to track property and evidence. In addition, postal inspectors are assigned accountable property, such as firearms and vehicles, to perform their work.

The Postal Inspection Service is comprised of 17 divisions nationally. The Washington Division has 79 postal inspectors and 60 postal police officers (PPO). During fiscal year (FY) 2020, the Washington Division closed 203 jacketed cases. A jacketed case is opened when there is an indication or occurrence of criminal activity warranting further investigation. During this period, postal inspectors in the Washington Division spent 81,118 workhours on those 203 cases. Figure 1 shows the total number of cases for the top five case types for that period.

Figure 1. Top 5 Closed, Jacketed Case Types by Case Count for FY 2020

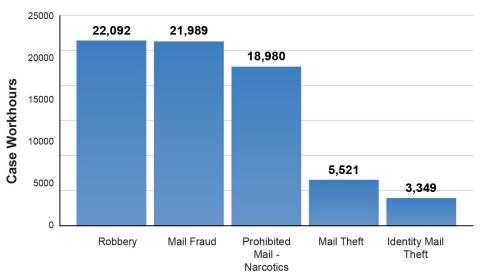


Source: OIG analysis and Postal Inspection Service.

Figure 2 shows the total number of workhours for the top five case types during FY 2020, with robbery having the highest workhour count.

¹ Title 39 CFR § 230.1.

Figure 2. Top 5 Closed, Jacketed Case Types by Case Workhours for FY 2020



Jacketed Closed Case Types

Source: OIG analysis and Postal Inspection Service.

Finding #1: Incomplete Case Documentation

Postal inspectors did not consistently document investigative activities, as required. Specifically, postal inspectors did not:

- Issue required Inspection Service Communications (ISCOM)² to national headquarters and divisions for 11 of 25³ (44 percent) cases in FY 2020 that required ISCOMs.
- Attach field notes⁴ to case files for 14 of 40 (35 percent) cases that required field notes.

Per policy⁵, ISCOMs are used to communicate case-specific information of a priority nature and should be issued only for investigative matters meeting specific criteria. ISCOMs allow field divisions to benchmark investigative techniques and track trends between divisions.⁶ With regard to documenting their work, postal inspectors are required to prepare field notes to document all significant matters that occur in an investigation. Field notes must be scanned and attached to the electronic case file prior to closing a case.⁷

The issue of missing ISCOMs occurred because team leaders' interpretation of the requirements for issuing ISCOMs for significant events were not consistent with current policy. A Washington Division Assistant Inspector-in-Charge (AIC) explained that a postal inspector's interpretation of significant events can vary depending on geography, experience, and best practices. There is no consensus on significance, therefore, postal inspectors and team leaders rely on their judgement.

"We found that 11 of 25 cases in FY 2020 did not have required ISCOMs and 14 of 40 cases did not attach required field notes." Management's interpretation of the policy resulted in inconsistent use of field notes. Management stated that some cases don't require field notes and postal inspectors can use a Memorandum of Interview template instead. Rather than attaching field notes, some postal inspectors entered these notes directly into investigative details

in CMS. During our interview of four team leaders, one said he did not consider interview notes to be field notes while the other three did.

² Inspection Service Communications are electronic communications submitted through CMS to describe investigative activities to date and are essential to inform headquarters of ongoing and completed field investigations.

³ The team reviewed 60 closed, jacketed cases, but not all cases require ISCOM or field notes. Percentages were calculated out of the number of cases that required ISCOM and field notes.

⁴ Field notes are detailed notes of an investigation.

⁵ Inspection Service Manual, Section 2-2.2, Inspection Service Communications, September 2018.

⁶ U.S. Postal Inspection Service FY 2020 Case Management Reporting Guidelines, Section 350, Inspection Service Communication.

⁷ U.S. Postal Inspection Service FY 2020 Case Management Reporting Guidelines, Section 160.

When ISCOMs are not sent, this could result in National Headquarters not being aware of significant ongoing and completed field investigations. In addition, ISCOMs can assist investigators in other divisions and help develop and track trends. Without sufficient documentation, postal inspectors may not be equipped with the factual information needed to investigate cases. In addition, a postal inspector's field notes can be used in court proceedings during testimony. When postal inspectors are not adequately documenting investigative activities through field notes, they risk relying on alternative documentation when testifying to recall events that occurred months or, sometimes, years ago, which could affect their testimony.

Recommendation #1

We recommend the **Chief Postal Inspector** review and update *Case Management Reporting Guidelines* and the *Inspection Service Manual* with current Inspection Service Communications requirements and define what constitutes a field note and when it is required.

Finding #2: Missing Safety Equipment and Documentation in Vehicles

Postal inspectors did not consistently retain all required documentation or maintain fully operational equipment in law enforcement vehicles. Specifically, we found that:

- While 18 of 19 (95 percent) postal inspectors completed their long-term hometo-work vehicle authorizations, one of 19⁸ postal inspectors (5 percent) did not have an active authorization.
- Two of 20 (10 percent) vehicles did not have a current vehicle registration form: and
- Two of 20 (10 percent) vehicles had two-way mobile radios which were unable to reach the Inspection Service communication network.

Postal Inspection Service policy⁹ requires long-term home-to-work authorization of official vehicles to be used when essential for the safe and efficient

"We found that one of 19 postal inspectors did not have an active long-term home-to-work vehicle authorization; two of 20 vehicles did not have a current vehicle registration form; and two of 20 vehicles had two-way mobile radios which were unable to reach the inspection service communication network."

performance of intelligence, protective services, or criminal law enforcement duties. These authorizations expire on the date specified in the request, but no later than December 31 of that year. In addition, all vehicles should have a current vehicle registration card¹⁰ and be equipped with a two-way mobile radio programmed to the Postal Inspection Service national communications network. Two-way mobile radios should also have encrypted secure voice capability to prevent monitoring by unknown parties.¹¹

These issues occurred because management's lack of timely corrective actions on vehicle requirements, including not ensuring vehicle registrations are current and not requesting the repair of the two-way mobile radios. Additionally, a team leader did not request a renewal for a long-term home-to-work authorization when it expired at the end of January 2020.

Using an Inspection Service vehicle between home and work without written authorization may subject the employee to liability under the Federal Torts

⁸ The team reviewed 20 vehicles; the additional vehicle was a weapons transport vehicle assigned to a postal inspector which did not contain sirens or lights, nor was it taken home by the postal inspector.

⁹ Inspection Service Manual, Section 2.8.4.4, Long-term Home-to-Work Authorization, October 2020.

¹⁰ Inspection Service Manual, Section 2.8.13.2, Vehicle Equipment, October 2020.

¹¹ Inspection Service Manual, Section 6.2.2.1, Frequency Authorization and Use, October 2020.

Claim Act if an accident occurs. ¹² In addition, without a functioning two-way radio a postal inspector has limited communication with the Inspection Service's communication network and other postal inspectors, which may result in officer safety and security issues. In addition, a postal inspector could be issued a motor vehicle violation if unable to produce a valid vehicle registration which could result in fines and penalties.

During the audit, management took corrective action by issuing a reminder to all Washington Division inspectors to follow safety requirements when operating a vehicle, obtaining current vehicle registrations, and repairing two-way mobile radios; therefore, we are not making recommendations on these issues.

Recommendation #2

We recommend the **Inspector in Charge, Washington Division**, create a process to ensure all vehicle long-term home-to-work authorizations are current.

Finding #3: Disposal of High-Value Evidence Improperly Documented

Postal inspectors did not properly document the disposal of their high-value evidence (HVE). While 62 of 64 pieces of HVE (97 percent) were verified, we found that disposal of two pieces of cash evidence¹³ were not accurately recorded in the evidence system.

Per Postal Inspection Service policy, all cash evidence valued at \$100 or more is considered HVE. ¹⁴ Once cash is deposited into the Inspection Service forfeiture holding account, it is the division general analyst's duty to coordinate and complete approved disposal of property. ¹⁵

This issue occurred because the division general analyst received an evidence disposal notification regarding cash evidence deposited into the Inspection Service forfeiture holding account but did not properly record the disposal of

evidence within the system. In addition, because of COVID-19, the evidence control officer was not required to complete the FY 2020 annual physical inventory of HVE, which might have identified this discrepancy. When HVE

is incorrectly recorded within the evidence system, a subsequent verification could determine a potential loss or mishandling of listed evidence has occurred.

As a result of our review, the general analyst took corrective action by properly recording the disposal of the cash in the evidence system. Since management has taken corrective action to address this issue, we are not making a recommendation.

"As a result of our review, the general analyst took corrective actions by properly recording the disposal of cash in the evidence system."

Finding #4: Lack of Controls Around the Spare Evidence Keys

The Washington Division's Inspection Service Operations technician is assigned individual control of the lockbox which contains all spare evidence keys and is kept in the evidence room. Rather than maintaining individual control over the spare keys, the technician provided the lockbox key to the requesting team leaders. Team leaders were not escorted into the evidence room by the technician, giving them access to all spare evidence keys rather than the single evidence key they were requesting.

The field unit manager or supervisor is responsible for providing and monitoring adequate security for all building-related security matters, including compliance with identification badge procedures, duplicate keys, passwords, combinations, use of safes and vaults, etc.¹⁶

¹² Fountain v. Karim, 838 F.3d 129 (2d Cir. 2016) the Federal Torts Claims Act applies to torts that a federal employee commits "while acting within the scope of employment."

¹³ The value of the cash evidence pieces were \$30,000 and \$6,000.

¹⁴ Inspection Service Manual, Section 8.1.3.1.c, High-Value Evidence, October 2020.

¹⁵ Inspection Service Asset Forfeiture Handbook, Section 9-1.2, Division Forfeiture Specialist.

¹⁶ Handbook F-1 - Accounting and Reporting Policy Section 2-5.2.2.1, Field Units Policy.

This control issue occurred because there was no formal key security protocol.

Lack of controls around the spare evidence keys issuance may result in theft, tampering, or misuse of evidence.

As a result of our review, management created a memo titled *Washington Division DHQ Evidence Key Security Protocol*. This protocol outlined the new controls around the spare evidence keys and the roles and responsibilities of the evidence key custodian.

"As a result of our review, management took corrective actions."

Management has taken corrective action to address this issue; therefore, we are not making a recommendation on this issue.

Management's Comments

Management agreed with recommendations 1 and 2.

Regarding recommendation 1, management stated they will review and update as appropriate the *Case Management Reporting Guidelines* and the *Inspection Service Manual* to define what constitutes a field note and when it is applicable. They will also review the criteria for ISCOMs and update the criteria within the *Case Management Reporting Guidelines*. The target implementation date is September 30, 2021.

Regarding recommendation 2, management stated that the Washington Division will create a process to ensure all vehicle long-term home-to-work authorizations are current. The target implementation date is May 31, 2021.

See Appendix B for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Objective, Scope, and Methodology

The scope of our audit included a review of Washington Division closed cases from October 1, 2019 to September 30, 2020. We selected the Washington Division for our review based on the number of closed, jacketed cases, case workhour data, number of hotline referrals identified, and National Compliance Review occurrence. The site selection did not include divisions from prior division quality reviews and divisions in areas designated as high risk in the OIG's COVID-19 database as of October 20, 2020. Prior to our planned site visit, the OIG COVID-19 database indicated 10 active cases at the Washington Main Office postal facility, which includes Washington Division Headquarters. Based on mutual concerns about potential COVID-19 exposure, the team conducted a virtual site visit of the Washington Division. The virtual site visit did not compromise our ability to complete the audit.

We reviewed a judgmental random sample of 60 closed cases to determine whether division employees followed case management requirements. We verified accountable property, including 64 pieces of high-value evidence, 20 law enforcement vehicles, 36 postal inspector firearms, and 70 firearms in the training vault. Another part of our review for accountable property included reviewing postal inspector J, O,¹⁷ and HVE keys, ammunition, and confidential funds. Additionally, we reviewed threat management training records for 72 postal inspectors and 51 PPOs.¹⁸

To accomplish our objective, we:

Reviewed a judgmental random sample of closed, jacketed case files (excluding area and prevention cases) to determine completeness of case files, including evidence disposal, forfeiture, confidential funds disbursement, undercover operations approval, and arrests.

- Interviewed Washington Division managers and postal inspectors to gain an understanding of their roles and responsibilities as it relates to accountable property.
- Evaluated the oversight and handling of confidential funds and HVE for compliance with established policies within case management.
- Reviewed samples of HVE, vehicles, firearms, ammunition, keys, and confidential funds for their completeness and compliance with internal controls.
- Interviewed an Inspection Service Operations technician to assess controls around J, O, and spare evidence keys and verified that they are inventoried.
- Reviewed firearms and safety training records to ensure compliance with Postal Inspection Service training requirements.
- Reviewed postal inspector workloads, analyzing case counts and workhours.

We conducted this performance audit from November 2020 to April 2021 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on March 16, 2021 and included their comments where appropriate.

We assessed the reliability of CMS data by reviewing source documents and interviewing responsible personnel knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

¹⁷ J keys are postal inspector office locks and O keys are assigned to postmaster and other official in charge used to access lookout galleries.

¹⁸ Three postal inspectors and eight PPOs were detailed outside of the Washington Division. One PPO was on extended military leave. Three postal inspectors have left the Inspection Service and one postal inspector was medically excused.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
Review of Postal Inspection Service Criminal and Administrative Processes - Fort Worth Division	Assess U.S. Postal Inspection Service compliance with criminal and administrative processes, including the effectiveness of internal controls.	HR-AR-19-002	4/19/2019	N/A
Division Reviews: U.S. Postal Inspection Service New York Division	Determine whether the U.S. Postal Inspection Service, New York Division, implemented effective controls for case management, accountable property, and training.	OV-AR-19-004	9/19/2019	N/A
U.S. Postal Inspection Service Charlotte Division	Determine whether the Postal Inspection Service, Charlotte Division, implemented effective controls for accountable property, training, and case management.	19TG013OV000-R20	11/15/2019	N/A

Appendix B: Management's Comments



April 9, 2021

JOSEPH WOLSKI DIRECTOR, AUDIT OPERATIONS

SUBJECT: U.S. Postal Inspection Service Washington Division (Project Number 21-005-DRAFT)

Thank you for the opportunity to review and comment on the findings and recommendations contained in the draft audit report, U.S. Postal Inspection Service Washington Division.

The U.S. Postal Inspection Service agrees with recommendations 1 and 2. Management will address each recommendation separately below.

<u>Recommendation 1:</u> The **Chief Postal Inspector** review and update Case Management Reporting Guidelines and the Inspection Service Manual with current Inspection Service Communications requirements and define what constitutes a field note and when it is required.

<u>Management Response/Action Plan:</u> Management agrees with this recommendation. The *Case Management Reporting Guidelines* and the *Inspection Service Manual* will be reviewed and updated to define what constitutes a field note and when it is applicable. The criteria for Inspection Service Communications (ISCOMs) will be reviewed and updated within the *Case Management Reporting Guidelines* as appropriate.

Target Implementation Date: September 30, 2021

Responsible Official: Chief Postal Inspector

<u>Recommendation 2:</u> The **Inspector in Charge, Washington Division**, create a process to ensure all vehicle long-term home-to-work authorizations are current.

<u>Management Response/Action Plan:</u> Management agrees with this recommendation. The Washington Division will create a process to ensure all vehicle long-term home-to-work authorizations are current.

Target Implementation Date: May 31, 2021

Responsible Official: Inspector in Charge, Washington Division

Sincerely,

Gary R. Barksdale Chief Postal Inspector

cc: Manager, Corporate Audit Response Management

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