

May 15, 2003

LEE R. HEATH
CHIEF POSTAL INSPECTOR

SUBJECT: Audit Report – Postal Inspection Service Controls Over Firearms Inventory Reconciliation (Report Number SA-AR-03-002)

This interim report presented a significant finding that needed to be promptly addressed by management, which was identified as a result of our self-initiated audit of the Postal Inspection Service Controls Over Firearms Inventory Reconciliation (Project Number 03BN001OA000).

The audit revealed the data in the current database system and the old database system did not reconcile. Management, in their response, stated they were aware of the inventory variances between the old and the new inventory systems. However, the discrepancies were not reported to the General Accounting Office (GAO). Additionally, a physical inventory conducted in November and December 2002 did not report any inventory discrepancies.

We made three recommendations to management. They were to conduct a complete physical inventory and reconciliation of data, notify the GAO of the inventory errors, and update the National Crime Information Center with the most current information.

Although management did not state whether they agreed or disagreed with the three recommendations, management's actions taken or planned are responsive to the intent of the recommendations.

Background

During our research, we identified the Postal Inspection Service provided inaccurate information concerning firearms inventory, policies, procedures, and lost firearms to the GAO. GAO is conducting a study of federal executive law enforcement agencies' controls over firearms at the request of the House Committee on the Judiciary. On December 31, 2002, the Postal Inspection Service amended their initial response to GAO. Until September 2001, the Postal Inspection Service relied on the Inspection Service Data Base Information System to manage their firearms inventory. In October 2001, the Postal Inspection Service implemented a new database to manage

the firearms inventory known as the Firearms Module of the Postal Inspection Service National Asset Tracking System. The new database is used to manage all Postal Inspection Service firearms as accountable property and was the source of information used by the Postal Inspection Service to respond to the GAO study of federal executive law enforcement agencies controls over firearms.

According to the U.S. Postal Inspection Service Manual, all firearms used by inspectors and postal police officers are considered accountable property. These firearms are required to be accounted for from acquisition through final disposition, to include transfer, retirement, destruction, and lost, stolen, or missing. On November 5, 2002, a national firearms inventory was ordered for all Postal Inspection Service firearms and was to be completed no later than close of business December 31, 2002.

Objective, Scope, and Methodology

The objective of this portion of the audit was to determine whether firearms reported as lost, stolen, or missing were accurately transferred from the old database to the new accountability system. To accomplish the audit objective, we conducted a review and comparison of lost, stolen, or missing firearms on the current database to the previous Inspection Service Data Base Information System inventory. We reviewed firearms inventories, supporting documentation, and conducted interviews.

This audit was conducted from December 2002 through May 2003 in accordance with generally accepted government auditing standards and included such tests of internal controls as were considered necessary under the circumstances. We discussed our conclusions and observations with appropriate management officials and included their comments, where appropriate.

Prior Audit Coverage

We did not identify any prior audits or reviews related to the objective of this audit except for the GAO study of federal executive law enforcement agencies controls over firearms requested by the House Committee on the Judiciary.

Results

Postal Inspection Service Firearms Inventory Inaccurate

We found the data in the current database system and the old database system did not reconcile. Specifically, 23 firearms listed as lost, stolen, or missing in the old system were shown as "InService" in the new system. Also, a Postal Inspection Service-wide inventory of firearms completed December 31, 2002, indicated the same 23 firearms

were on hand. However, a database query of the National Crime Information Center¹ for the 23 firearms previously listed as lost, stolen, or missing showed that 9² of the 23 firearms were currently listed as stolen weapons.

The Inspection Service Operations Support Group manager responsible for the firearms inventory stated that there were data migration problems with the 2001 change in the firearms database. The manager also stated the accuracy of the inventory is dependent on the quality of the firearm coordinator's physical inventory. Additionally, the firearms controlled by the coordinator are not independently verified.

In one specific example, a postal inspector reported his firearm stolen in early 1998 and it was reported on the 1998 national inventory as lost, stolen, or missing. In 2001, the firearm appeared on the inventory as lost, stolen, or missing. During our review we determined:

- The 2002 firearms inventory listed the 1998 lost firearm as "InService" and assigned to the postal inspector who reported it stolen although the same postal inspector said it had not been recovered.
- On December 30, 2002, the responsible firearms coordinator initialed the national firearms inventory printout indicating the lost weapon was "InService" and assigned to the postal inspector who reported it stolen in 1998 along with the firearm the postal inspector was assigned to replace the stolen firearm. As a result, the inventory reflected the postal inspector was assigned two firearms with a status of "InService" for both. The Office of Inspector General (OIG) confirmed with the postal inspector that he has one firearm currently assigned and it was the firearm issued to replace the firearm reported stolen in 1998.
- On December 30, 2002, the responsible division inspector in charge certified the inventory initialed by the firearms coordinator was ". . . accurate for calendar year 2002."
- The serial number for the stolen firearm reported to the National Crime Information Center was incorrect.

As a result, the Postal Inspection Service's firearms accountable records and the recent physical inventory are inaccurate. Therefore, the Postal Inspection Service controls over these highly sensitive assets are inadequate. Management's comments in their entirety are included in the appendix of this report.

¹ National Crime Information Center is operated by the Federal Bureau of Investigation and is a computerized database used by authorized agencies to report and access information concerning missing persons, wanted persons, criminal history, stolen guns, and other law enforcement information. Additional information about the National Crime Information Center is available at www.fas.org/irp/agency/doj/fbi/is/ncic.htm.

² One of the nine firearms in the National Crime Information Center was listed with the wrong serial number.

Recommendation

We recommend the chief postal inspector:

1. Conduct an immediate national independent physical firearms inventory managed by the Postal Inspection Service's Internal Affairs division to update the existing firearms inventory within the next 60 days. In addition, implement a reconciliation of the previous Inspection Service Data Base Information System firearms inventory to the current Firearms Module of the Postal Inspection Service National Asset Tracking System along with the physical inventory results documenting all discrepancies.

Management's Comments

Management neither agreed nor disagreed with the recommendation. Management stated they were aware of the inventory variances between the old and the new inventory systems. They attributed their lack of action to the events of September 11, 2001, and subsequent anthrax investigations. The Inspection Service National Threat Management coordinator position, with responsibilities for firearms training, ammunition procurement, body armor specification, and inventory records, has been reassigned to national headquarters to enhance oversight of controls over firearms.

Management also convened a management task force to conduct a complete physical account of the firearms inventory and independent verifications to resolve data migration issues. In addition, the task force will review internal control processes and make necessary enhancements to the Inspection Service National Asset Tracking System to ensure the physical inventory is accurately recorded. Last, all firearms coordinators will receive training in April 2003 to ensure they can navigate and enter data properly in the tracking system. The target date for implementation of all recommendations is September 30, 2003.

Evaluation of Management's Comments

Management's comments are responsive to the intent of the recommendation. However, if management was aware of data migration errors, these should have been noted in responding to GAO's study of federal law enforcement controls over firearms.

While the Postal Inspection Service had a key role in the investigation of September 11, 2001, and the subsequent anthrax attacks, this does not explain why a physical inventory conducted in November and December 2002 did not accurately report the firearms on hand or why inaccurate inventory records were certified as correct by the Inspection Service's firearms coordinators and their respective field inspectors in-charge. The inventory conducted during November and December of 2002, certified as correct, was independent of the data migration issue that occurred a year earlier and would have confirmed that some weapons were still lost, missing, or stolen. Instead, all

weapons were shown as "InService," the same status as recorded in the new inventory system.

Recommendation

We recommend the chief postal inspector:

2. Notify GAO of the current discrepancy in the national firearms inventory provided to them on December 31, 2002, and provide GAO with the corrected information as soon as it is available. In addition, provide the OIG with a copy of any updated response to GAO and any other information provided to GAO concerning this matter.

Management's Comments

Management neither agreed nor disagreed with the recommendation. Management stated they will notify GAO once they have completed the review and fully implemented all enhancements in the new firearms systems scheduled to be completed by September 30, 2003.

Evaluation of Management's Comments

Management's comments were not fully responsive to this recommendation. GAO expected to forward their report to federal agencies for comment in mid-April 2003 with a final report expected in mid-June 2003. Providing GAO with corrected data in September is not timely and would be of questionable benefit after the GAO report has been issued. Subsequent to the OIG's receipt of management's comments and a meeting with the OIG and the chief postal inspector, the Postal Inspection Service contacted GAO and notified them of the inventory discrepancy, satisfying the intent of the recommendation.

Recommendation

We recommend the chief postal inspector:

3. Update the National Crime Information Center system where necessary with lost, stolen, or missing firearms information.

Management's Comments

Management neither agreed nor disagreed with the recommendation. Management will update the National Crimes Information Center database with lost or stolen firearms as the physical review is being conducted.

Evaluation of Management's Comments

Management's comments are fully responsive to the recommendation. Management's actions taken or planned should correct the issues identified in the report.

We appreciate the cooperation and courtesies provided by your staff during the review. If you have any questions or need additional information, please contact Michael L. Thompson, director, Inspection Service Audits, at (703) 248-2100, or me at (703) 248-2300.

Ronald D. Merryman
Deputy Assistant Inspector General
for Technology/Oversight

Attachment

cc: James J. Rowan, Jr.
Donna M. Harris
Susan M. Duchek

APPENDIX. MANAGEMENT'S COMMENTS



UNITED STATES POSTAL INSPECTION SERVICE

Deputy Chief Inspector
Headquarters Operations

March 28, 2003

Mr. Ronald D. Merryman
Office of the Inspector General
U.S. Postal Service
1735 N. Lynn Street
Arlington, VA 22209-2020

SUBJECT: Inspection Service Response to Draft Interim Audit Report – Postal Inspection
Service Controls Over Firearms Inventory Reconciliation (SA-AR-03-DRAFT)

As noted in your draft interim audit report, the Postal Inspection Service transitioned to a new database to manage its in-service firearms inventory in 2001. The transition for the firearms inventory commenced on September 11, 2001, as announced in our Management Communication. The events of September 11, the subsequent Anthrax investigations, and the resulting new security programs delayed our timeline in effectively addressing transition and migration issues. We were aware of the inventory variances between the old and new systems and have been maintaining the old application until all known problems are resolved. The Inspection Service National Threat Management coordinator position has been reassigned to National Headquarters to enhance oversight in this critical area. This position has responsibilities for firearms training programs, ammunition procurement, body armor specification, and inventory records. Our target date for implementation of the recommendations is September 30, 2003.

In response to the recommendations, the following action items will be completed:

- 1) A) The Inspection Service has already convened a management task force which will begin on March 31, 2003, to conduct a complete physical accounting of our entire firearms inventory. Independent verifications will be made for all weapons assigned to each division and the results will be reported back to the Bala Cynwyd Inspection Service Operations Support Group (ISOSG). This review will serve as the basis for resolving any and all remaining data migration issues.

B) The task force will review our current internal control processes and make any necessary enhancements to the Inspection Service National Asset Tracking System (ISNATS) to ensure that the physical inventory is accurately recorded.

C) Training has been scheduled for all firearms coordinators at Potomac, Maryland, from April 22-23, 2003. This will ensure they know how to navigate and enter data properly in the ISNATS.
- 2) GAO will be notified once we have completed our review and fully implemented all enhancements in the new firearms system.

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- 3) The National Crimes Information Center will be notified with updated lost or stolen firearms information as the physical review is being conducted.

If you have any questions or require further explanation, please contact Inspector in Charge Larry Visos at (202) 268-4279.



James J. Rowan, Jr.
Deputy Chief Inspector

cc: Susan Duchek