

March 25, 2002

JAMES J. ROWAN, JR.
ACTING CHIEF POSTAL INSPECTOR

SUBJECT: Audit Report - Postal Inspection Service Evidence Handling Program
(Report Number OV-AR-02-002)

This report presents the results of our audit of the Postal Inspection Service Evidence Handling Program (Project Number 01JR002OV000). This audit was self-initiated. Our objectives were to determine whether the Inspection Service effectively maintained, controlled, and disposed of collected evidence.

The audit revealed that the Inspection Service effectively safeguarded collected evidence, but could improve their practices for maintaining and controlling evidence. In addition, we could not determine whether all evidence was disposed of in accordance with Inspection Service policy because disposal actions were not appropriately documented in case files. Although we found areas for improvement in the Inspection Service's evidence handling program, we did not find any instances in which the integrity of evidence reviewed was jeopardized. We recommended that management provide periodic refresher training in, and strengthen management oversight of, evidence handling and disposal practices. Management agreed with our recommendations and has planned corrective actions addressing the issues identified in this report. Management's comments and our evaluation of these comments are included in this 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 Cathleen A. Berrick, director, Oversight, at (703) 248-2100, or me at (703) 248-2300.

Kirt West
Assistant Inspector General
for Congressional, Oversight, and Legal Services

Attachment

cc: John M. Nolan
Susan M. Duchek

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EXECUTIVE SUMMARY

Introduction

This report presents the results of our self-initiated audit of the Inspection Service evidence handling program. Our objectives were to determine whether the Inspection Service effectively maintained, controlled, and disposed of collected evidence.

Results in Brief

The audit revealed that the Inspection Service effectively safeguarded collected evidence. Specifically, all high value evidence was generally stored in evidence rooms and dual access control was maintained, as required. In addition, low intrinsic value evidence was either stored in evidence rooms or in locked rooms or file cabinets controlled by case inspectors.

Although the Inspection Service effectively safeguarded collected evidence, the Inspection Service could improve their practices for maintaining, controlling, and disposing of evidence. Specifically, postal inspectors did not always document the transfer of evidence, tag or seal evidence, appropriately document evidence in inventory logs and reports, and on attached tags and labels; or verify currency with currency verification forms as required by Inspection Service policy.

In addition, we could not determine whether all high-value evidence was properly disposed of because supporting documentation in case files was sometimes missing, inaccurate, or incomplete. Although we found areas for improvement in the Inspection Service's evidence handling program, we did not find any instances in which the integrity of evidence reviewed was jeopardized.

Summary of Recommendations

We recommended that management require periodic refresher training on evidence handling and disposal procedures for inspectors, and strengthen management oversight to ensure that evidence deficiencies are identified and corrected.

Summary of Management's Comments

Management agreed with both recommendations, stating that they will provide refresher training on evidence handling and disposal procedures to Inspection Service personnel, beginning no later than September 30, 2002. Management further stated that they will revise the Inspection Service Manual, by September 30, 2002, to require more extensive

reviews of evidence handling and disposal procedures by team leaders and evidence control officers. Management's comments, in their entirety, are included in the appendix of this report.

Overall Evaluation of Management's Comments

Management's comments are responsive to our recommendations.

INTRODUCTION

Background

The Inspection Service categorizes evidence as high value or low intrinsic value. High value evidence includes controlled substances, firearms and explosives, cash or bearer instruments valued at \$100 or more, jewelry, precious metals and gems, and individual property items with an estimated value of \$1,000 or more, such as recovered stamp stock or computers. Low intrinsic value evidence includes all other items not categorized as high value.

The Inspection Service centrally tracks and reports all high value evidence through the Inspection Service Property/Evidence Management System. As of April 13, 2001, the Property/Evidence Management System identified over 3,800 items of high value evidence within the Inspection Service. The Inspection Service does not centrally track or report low intrinsic value evidence.

The Inspection Service Manual, Chapter 440, "Property/Evidence Handling Procedures," governs the Inspection Service's evidence handling program. The Inspection Service Manual requires that Inspection Service employees maintain rigid control over acquired evidence so that a credible chain of custody is established and maintained. The Inspection Service Manual further requires that evidence be properly reported, protected, and disposed of before a case is closed.

Objectives, Scope, and Methodology

Our objectives were to determine whether the Inspection Service effectively maintained, controlled, and disposed of collected evidence. To accomplish our objectives related to maintaining and controlling evidence, we reviewed the Inspection Service Manual pertaining to evidence handling procedures. We also randomly selected and visited 20 Inspection Service locations¹ to assess their procedures for maintaining and controlling evidence. At the locations

¹The Inspection Service locations visited were: Tampa, Florida, field office; Orlando, Florida, domicile; Jacksonville, Florida, domicile; Los Angeles, California, Processing and Distribution Center domicile; Linthicum, Maryland, domicile; Baltimore, Maryland, field office; Merrifield, Virginia, Processing and Distribution Center domicile; Birmingham, Alabama, domicile; Gulf Coast division headquarters; North Houston, Texas, domicile; Dallas, Texas, Main Post Office domicile; Hicksville, New York, domicile; Bronx, New York, domicile; Edison, New Jersey, domicile; Manchester, New Hampshire, domicile; New Haven, Connecticut, domicile; Columbus, Ohio, domicile; San Juan, Puerto Rico, field office; Portland, Oregon, domicile; and Northern California division headquarters.

visited, we randomly selected and reviewed samples² of high value evidence on hand as of April 13, 2001, and low intrinsic value evidence on hand as of April 23, 2001, for open cases. We interviewed Inspection Service case inspectors and officials from the Forensic and Technical Services Division concerning Inspection Service practices for maintaining and controlling collected evidence.

To accomplish our objective related to the disposal of evidence, we reviewed the Inspection Service Manual regarding evidence disposal procedures. We also randomly sampled all high value evidence disposed of from cases that were closed from October 1, 2000, through June 15, 2001. We reviewed closed case files at four Inspection Service Operations Support Group offices.³ We interviewed Inspection Service case inspectors from the Inspection Service's 18 divisions and officials from the Forensic and Technical Services Division concerning the Inspection Service's procedures for disposing of collected evidence.

We benchmarked with officials from the Bureau of Alcohol, Tobacco, and Firearms; United States Customs Service; United States Marshals Service; Defense Criminal Investigative Service; and Department of Treasury, Office of Inspector General, to determine their procedures for maintaining, controlling, and disposing of collected evidence. We did not independently verify information received from these agencies.

We conducted the audit from March 2001 through March 2002 in accordance with generally accepted government auditing standards. We reviewed management controls related to the Inspection Service's procedures for maintaining, controlling, and disposing of collected evidence. Specifically, we reviewed controls designed to ensure that the chain of custody was maintained, evidence was appropriately sealed and tagged, currency and negotiable instruments were appropriately verified, documentation was adequately prepared, supervision was maintained, and evidence was properly disposed of and safeguarded. We did not identify any material control weaknesses. We assessed the accuracy of data contained

²The following case categories were excluded from review because they generally contain little, if any, collected evidence: Program Prevention, Program Security, and Miscellaneous (Office of Inspections Cases, Recruitment, and Polygraph).

³The four Inspection Service Operations Support Group offices visited were Bala Cynwyd, Pennsylvania; Chicago, Illinois; Memphis, Tennessee; and South San Francisco, California.

in the Inspection Service Database Information System and in the Inspection Service Property/Evidence Management System and determined that it was sufficient to support our audit conclusions. We discussed our conclusions and observations with management officials and included their comments, where appropriate.

Prior Audit Coverage

We did not identify any prior audits or reviews related to the Inspection Service's evidence handling program.

AUDIT RESULTS

Maintaining, Controlling, and Disposing of Collected Evidence

The Inspection Service effectively safeguarded collected evidence. Specifically, high value evidence reviewed was generally stored in evidence rooms and dual access control was maintained, as required. In addition, low intrinsic value evidence was stored either in evidence rooms or in locked rooms or file cabinets controlled by case inspectors. Although the Inspection Service effectively safeguarded evidence, we found that they could improve their practices for maintaining, controlling, and disposing of collected evidence.

The Inspection Service Manual, Chapter 445.2, "Maintaining Custody of Property/Evidence," requires that all evidence be properly secured and protected until its final disposition. The Inspection Service Manual requires that high value items be stored in a security container, such as a vault or safe, inside a locked and alarmed evidence room. The Inspection Service Manual also requires that low intrinsic value items be kept in a locked file cabinet or locked room under the exclusive control of the case inspector.

Maintaining and Controlling Collected Evidence

Postal inspectors and evidence custodians did not always document the transfer of evidence, tag or seal evidence, or appropriately document evidence in inventory logs⁴ and reports, and on attached tags and labels, in accordance with Inspection Service policy. We also found that postal inspectors did not always verify the amount of currency obtained as evidence with currency verification forms as required. Although we found that the Inspection Service could improve their practices for maintaining and controlling evidence, we did not find any instances in which the integrity of evidence reviewed was jeopardized.

The Inspection Service Manual, Chapter 441.100, "Chain of Custody," requires that a record endorsed by each recipient of collected evidence be maintained in order to augment the reliability of testimony regarding the continuity of evidence handling. The Inspection Service Manual, Chapter 443.11, "Preserving and Protecting Property/Evidence," requires that evidence be sealed in bags, envelopes, etcetera, using tamper resistant/evident sealing tape, and that the sealing inspector sign and date across the tape and a portion of the

⁴The Property/Evidence Log summarizes the activity for all evidence obtained or seized for each case.

container.⁵ The Inspection Service Manual, Chapter 442.6, “Tagging and Labeling,” further requires that the property/evidence tag/labels be attached to all evidence except documents, and that these labels remain with the evidence at all times.

The Inspection Service Manual, Chapter 444.21, “Property/Evidence Log,” and Chapter 446.1, “Transferring Custody of Property/Evidence,” requires that a property/evidence log be maintained, and that the property/evidence log, or the High Value Property/Evidence Report, reflect evidence transfers. The Inspection Service Manual, Chapter 443.31, “Securing and Sealing Cash, Jewelry, Precious Metals, and Gems,” further requires that before sealing, all cash be double counted by the seizing/receiving inspector and witnessed, and that a currency verification form be signed and stored with the cash.

Transfer and
Destruction of
Collected Evidence

We could not determine whether all high-value evidence was transferred⁶ or destroyed in accordance with Inspection Service policy, because supporting documentation in case files was either missing, inaccurate, or incomplete. Although we could not determine whether all high-value evidence was properly transferred or destroyed, we did not find any instances in which the integrity of evidence reviewed was jeopardized.

The Inspection Service Manual, Chapter 447.37, “Documentation,” requires that inspectors document the transfer of evidence through receipts, certificates of delivery signed by the case inspector, a Hold Harmless Agreement,⁷ or an inventory of items seized through a search warrant signed by a recipient. The manual also requires that destruction certificates be completed and signed and dated by the case inspector and two witnesses. The Inspection Service Manual, Chapter 447.4, “Case Closing,” further requires that all evidence be disposed of prior to case closure, and documentation supporting the disposal be maintained in the case file before the case is closed. Although not required by Inspection Service policy, some

⁵Voluminous documents contained in envelopes, boxes, cartons, file cabinets, etcetera, obtained from a single source on the same date, do not have to be individually marked or tagged.

⁶Evidence may be disposed of through transfer to forfeiture specialists, rightful owners, the National Forensic Laboratory, other agencies, or other Inspection Service cases.

⁷A Hold Harmless Agreement is a document used to relieve the Inspection Service from liability associated with a variety of claims, suits, demands, or expenses of litigation.

inspectors required owners to sign an itemized inventory of evidence returned to them as proof that all evidence was, in fact, returned. This inventory supplemented required return receipts that do not identify the specific items or quantity of items returned. We also found that another federal law enforcement agency surveyed mailed an itemized inventory of evidence returned, with a postage-paid return envelope, to the evidence owner to obtain their verification that all evidence was appropriately returned. These practices, if adopted throughout the Inspection Service, could provide inspectors with additional protection from potential claims regarding returned evidence.

Inspectors' Awareness
of Evidence Handling
and Disposal
Procedures and
Management
Oversight

The Inspection Service did not always maintain and control collected evidence effectively, or document the disposal of collected evidence, because inspectors did not receive periodic training on required evidence handling and disposal procedures. Other than evidence training provided to newly appointed inspectors, and periodic training provided to inspectors working in specialized areas, inspectors have not received training in evidence handling or disposal procedures since 1996 or 1997, when new policies and procedures were introduced. As a result, many inspectors interviewed, who we identified as not maintaining, controlling, or disposing of collected evidence in accordance with Inspection Service policy, were not aware that the identified procedures were required by the Inspection Service Manual.

In addition, team leaders and evidence control officers could improve their oversight of evidence handling and disposal practices of assigned inspectors. The Inspection Service Manual, Chapter 448.4, "Team Leader Responsibilities," requires that team leaders assure the proper reporting, transfer, and disposition of all property and evidence acquired by case inspectors. The Inspection Service Manual, Chapter 448, "Program Management/Oversight," and Chapter 448.6, "Evidence Control Officer Responsibilities," further requires that team leaders periodically review selected cases to ensure that evidence logs are properly completed, and tags are appropriately attached and marked. The manual also requires that evidence control officers conduct an annual inventory of all high value evidence maintained within the division.

Although team leaders and evidence control officers are required to conduct reviews to assure proper reporting, transfer, and disposition of evidence, deficiencies still existed. In addition, the Inspection Service Manual does not specifically require that the reviews assess the documented transfer of evidence; tagging and sealing of evidence; documentation of evidence on logs, reports, tags, and labels; and the verification of cash.

Importance of Maintaining and Controlling Collected Evidence Effectively

Although the Inspection Service effectively safeguarded collected evidence, they could compromise the admissibility of their evidence, and viability of associated criminal cases, by not maintaining and controlling evidence in accordance with their policy. In addition, inspectors could subject themselves to unwarranted suspicion if evidence is not handled or disposed of as required, and improperly sealed or counted evidence may not be adequately protected against contamination, loss, or tampering. Due to the importance of collected evidence in support of the Inspection Service's criminal investigative mission, we believe that the Inspection Service should periodically reinforce required evidence handling procedures through training, and ensure that management exercise more comprehensive oversight so that they can detect, and cause corrective action to be taken on, evidence handling and disposal deficiencies.

Management's Corrective Actions

We discussed our audit results with Inspection Service management. Management has initiated corrective action on all identified deficiencies, and has agreed to revise the Inspection Service Manual to require periodic refresher training on, and strengthen management oversight over, evidence handling and disposal practices. Management plans to begin refresher training by the end of fiscal year 2002, and will emphasize supervisory review and oversight of evidence handling and disposal procedures.

Recommendation

We recommend the acting chief postal inspector, modify the Inspection Service Manual to require:

1. Periodic refresher training on evidence handling and disposal procedures, with special emphasis on the documented transfer of evidence, sealing and tagging of evidence; completion of evidence logs, reports, tags, and

labels; verification of cash with currency verification forms; and documentation of evidence disposal procedures.

Management's Comments	Management agreed with the recommendation. The deputy chief inspector for Investigations agreed to provide periodic refresher training on evidence handling and disposal procedures, beginning no later than September 30, 2002, to all team leaders, assistant inspectors in charge, and inspectors in charge. The deputy chief inspector further stated that during FY 2003, the Inspection Service will develop a method to deliver refresher training to other Inspection Service personnel.
Evaluation of Management's Comments	Management's comments are responsive to the recommendation, and should help ensure Inspection Service personnel are aware of required evidence handling and disposal procedures.
Recommendation	<p>We recommend the acting chief postal inspector, modify the <u>Inspection Service Manual</u> to require:</p> <ol style="list-style-type: none">2. Team leaders and evidence control officers conduct periodic evidence reviews, and implement corrective actions for identified deficiencies, that include an assessment of the documented transfer of evidence, sealing and tagging of evidence; documentation in evidence logs, reports, tags, and labels; use of currency verification forms; and required disposal procedures.
Management's Comments	Management agreed with the recommendation. The deputy chief inspector for Investigations agreed to revise the <u>Inspection Service Manual</u> , no later than September 30, 2002, to expand the required duties of team leaders and evidence control officers related to evidence handling and disposal procedures. Specifically, the <u>Inspection Service Manual</u> will require an assessment of the documentation of evidence transfers, logs, seals and tags; the use of currency verification forms; and evidence disposal procedures.
Evaluation of Management's Comments	Management's comments are responsive to the recommendation, and should improve the Inspection Services practices for maintaining, controlling, and disposing of collected evidence.

APPENDIX. MANAGEMENT'S COMMENTS



UNITED STATES POSTAL INSPECTION SERVICE
OFFICE OF INVESTIGATIONS

March 11, 2002

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SUBJECT: Postal Inspection Service Evidence Handling Program
(Report Number OV-AR-02-DRAFT)

We have had the opportunity to review the draft audit report on the Inspection Service Evidence Handling Program. We were pleased your audit confirmed that the Inspection Service effectively safeguards all evidence coming into its possession. Although you found areas for improvement in the Inspection Service Evidence Handling Program, you found no instances in which the integrity of evidence was jeopardized.

We acknowledge the report's finding that the Inspection Service could improve its practices for maintaining, controlling, and disposing of evidence. We agree that periodic refresher training on evidence handling and disposal procedures would be beneficial. No later than September 30, 2002, all team leaders, assistant inspectors in charge, and inspectors in charge will receive refresher training. During Fiscal Year 2003, we will develop a method to deliver refresher training to other Inspection Service personnel.

We also concur with your second recommendation to strengthen management oversight of the Evidence Handling Program. No later than September 30, 2002, Section 440 of the Inspection Service Manual will be revised. In that revision, the description of the duties and responsibilities of team leaders and evidence control officers will be expanded to include their assessment of the documentation of evidence transfers, evidence logs, seals and tags. The instructions will also be amended to ensure the reviews include assessing the use of currency verification forms and disposal procedures.

We would like to extend our gratitude for your team's flexibility and willingness to work with our field personnel during this audit. Your team coordinated well with local division management to minimize the disruption to our daily operation, and to adhere to our stringent security requirements in observing and conducting the audit steps regarding our high-value evidence. Those efforts contributed significantly to the success of this audit.

K. W. Newman
Deputy Chief Inspector