

Office of Inspector General | United States Postal Service

Audit Report

Use of Postal Service Network to Facilitate Illicit Drug Distribution

Report Number SAT-AR-18-002 | September 28, 2018



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Highlights

Objective

This report responds to a request from Senator Claire McCaskill, Ranking Member, U.S. Senate Homeland Security and Governmental Affairs Committee. Based on the request, our objectives were to examine the role of the U.S. Postal Service network in facilitating illicit drug distribution, explore associated risks and vulnerabilities in the system, and identify opportunities to mitigate those risks.

The growth of ecommerce in the last 10 years has dramatically increased the volume of packages arriving in and traveling throughout the U.S. The internet has increased the availability of illicit drugs in the U.S. because it offers drug traffickers and buyers a degree of anonymity and ease of access.

The Postal Service has long used the U.S. Postal Inspection Service's (USPIS) narcotics program to detect and deter against illicit drugs in the postal network by investigating individuals attempting to use the mail to traffic drugs. USPIS drug seizures have been on the rise since fiscal year (FY) 2014, with over 40,000 pounds seized in FY 2017.

Online drug traffickers typically send packages via a shipping provider, including the Postal Service, and have become familiar enough with the postal network to exploit it. Advantages to using the Postal Service as a shipper rather than a private carrier include the inability of the Postal Service to open packages without a search warrant and its obligation to accept inbound international mail, regardless of the package information provided before a shipment arrives in the U.S. This makes it more difficult for the Postal Service to identify and track packages suspected of containing illicit material. By comparison, private carriers operate their networks from beginning to end and collect the information related to all packages they process.

What the OIG Found

The Postal Service has made efforts to combat the use of its network to facilitate illicit drug distribution, but vulnerabilities in the network remain, as evidenced by the continued use of the Postal Service network to deliver illicit drugs.

International and domestic drug traffickers have identified, in their marketing to customers, that they use the Postal Service to distribute illicit drugs. In fact, of 104 illicit drug websites we searched on the dark web that identified a shipper, 92 percent (96) indicated they used the Postal Service. On the clear web, 80 percent (16) of the 20 sites we visited provided guidance on how to ship illicit drugs instructed traffickers to use the Postal Service.

Continued vulnerabilities needing attention to deter the use of its network to facilitate illicit drug distribution include:

- Private carriers are able to open and inspect packages they ship into the U.S., and U.S. Customs and Border Protection (CBP) is authorized to open and inspect almost all international inbound packages. However, the Postal Service is generally prohibited from opening international and domestic mail, including packages.
- Current federal sentencing guidelines do not require a distinct penalty for using the postal network to facilitate illicit drug distribution.
- Although many organizational efforts to address illicit drugs in the mail are underway, the Postal Service [REDACTED]

- Opportunities exist for the USPIS to enhance its data analytics to identify mailpieces for inspection that may contain illicit drugs. For example, the USPIS data model could be enhanced by integrating the results of package inspections to further refine its metrics.
- The USPIS's process for capturing packages from the mailstream is resource-intensive, [REDACTED].
- The amount of narcotics-related arrests by the Office of Inspector General [REDACTED]. This indicates a need for the Postal Service to educate employees about the dangers of colluding with drug traffickers.
- Commercial Mail Receiving Agencies (CMRA) are private businesses that enter into an agreement with the Postal Service to provide private mailbox services. In each of the 12 post offices and 20 CMRAs we judgmentally selected in states with high per capita drug overdose rates, Postal Service officials did not adhere to CMRA oversight policies and procedures. Specifically, postal employees at these locations did not review and maintain necessary documentation to verify and track CMRAs and their customers. [REDACTED]

Drug traffickers' use of the Postal Service network to distribute illicit drugs domestically and internationally undermines the public's trust, puts employees in harm's way, and erodes the Postal Service brand.

What the OIG Recommended

We recommended management:

- Work with Congress to develop legislative changes that would authorize the USPIS to open and inspect packages suspected of containing illicit drugs.
- Work with relevant executive agencies, such as the Department of Justice, and Congress to develop legislative changes that would establish separate and enhanced criminal penalties for using the postal network to distribute illicit drugs.
- Designate an officer to consolidate existing efforts and lead the implementation of a unified, comprehensive strategy to combat the use of the postal network in facilitating illicit drug distribution.
- Enhance USPIS's data model to include integration of package inspection results.
- Establish a process to more efficiently divert packages suspected of containing illicit drugs to centralized inspection locations for evaluation in an isolated and secure environment.
- [REDACTED].
- Institute a comprehensive, centralized, and automated program to increase adherence to existing CMRA procedures and improve existing policies.

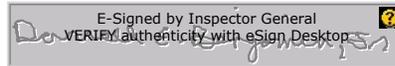
Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 28, 2018

MEMORANDUM FOR: MEGAN J. BRENNAN, POSTMASTER GENERAL
RONALD A. STROMAN, DEPUTY POSTMASTER
GENERAL AND CHIEF GOVERNMENT RELATIONS
OFFICER
GUY COTTRELL, CHIEF POSTAL INSPECTOR
DAVID E. WILLIAMS, CHIEF OPERATING OFFICER AND
EXECUTIVE VICE PRESIDENT
JEFFREY WILLIAMSON, CHIEF HUMAN RESOURCES
OFFICER AND EXECUTIVE VICE PRESIDENT
KELLY SIGMON, VICE PRESIDENT OF RETAIL AND
CUSTOMER SERVICE



FROM: Darrell E. Benjamin, Jr.
Deputy Assistant Inspector General for Planning and
Operations

SUBJECT: Audit Report – Use of the U.S. Postal Service
Network to Facilitate Illicit Drug Distribution –
(Report Number SAT-AR-18-002)

This report presents the results of our audit of the Use of the U.S. Postal Service's
Network to Facilitate Illicit Drug Distribution (Project Number 18POG003SAT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any
questions or need additional information, please contact Lisa M. Nieman, Director,
Strategic Assessment, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our audit on the role of the U.S. Postal Service network to facilitate illicit drug distribution (Project Number 18POG003SAT000). The report responds to a request from Senator Claire McCaskill, Ranking Member, U.S. Senate Homeland Security and Governmental Affairs Committee. Our objectives were to examine the role of the network in facilitating illicit drug distribution, explore associated risks and vulnerabilities in the system, and identify opportunities to mitigate those risks. Specifically, the congressional request asked us to:

- Review current efforts to screen packages for illicit drugs shipped through the Postal Service, including how the Postal Service and other organizations share data and any challenges they face;
- Address differences in laws, regulations, and procedures governing the Postal Service that may make it more susceptible than private carriers are to illicit drug trafficking; and
- Describe limitations and vulnerabilities in the Postal Service network and postal policies, including:
 - Constraints on the quantity, reliability, and use of data to detect illicit drugs;
 - Employee involvement and collusion in drug trafficking, as well as efforts to mitigate this vulnerability; and
 - Requirements associated with Commercial Mail Receiving Agencies (CMRA),¹ along with the Postal Service's oversight of CMRAs.

Background

The growth of ecommerce in the last 10 years has dramatically increased the volume of packages shipped to and within the U.S. Ecommerce sales made up nearly one-tenth of all retail sales in the U.S. in the first quarter of fiscal year (FY) 2018.² Internationally, ecommerce is also growing, with worldwide sales expected to reach \$4.5 trillion by 2021.³ China is now the world's largest ecommerce market, contributing over 40 percent of global ecommerce spending.⁴

The growth in ecommerce includes more than the sale of household items. Buying and selling illicit substances is increasingly a digital transaction. The internet has significantly increased the availability of illicit drugs directly to consumers in the U.S. because it offers drug traffickers and buyers a degree of anonymity and ease of access.⁵ Drug traffickers, particularly those who use the internet to run their businesses, are also increasingly using package shipping providers to transport their products.

The Postal Service continues, as it has done for more than 200 years, to play a vital role in American commerce and bind the nation together through secure, reliable, affordable, and universal mail delivery. In FY 2017, the Postal Service delivered 150 billion mailpieces through over 34,000 facilities to nearly 157 million addresses. The Postal Service has consistently been ranked as the country's most trusted government agency.

However, drug traffickers have familiarized themselves with and exploited vulnerabilities in the Postal Service network. Some of these vulnerabilities are unique to the Postal Service and do not apply to private carriers. The Postal Service has worked for decades to combat the use of its network to facilitate illicit drug distribution, but the nature and associated risks of drugs in the mail have evolved in recent years.

¹ CMRAs are private companies, such as UPS, that accept mail on behalf of its customers and make that mail available to customers via a private mailbox.

² U.S. Census Bureau, *Quarterly Retail E-Commerce Sales*, May 17, 2018.

³ *Worldwide Retail and Ecommerce Sales: eMarketer's estimates 2016-2012*, July 18, 2017.

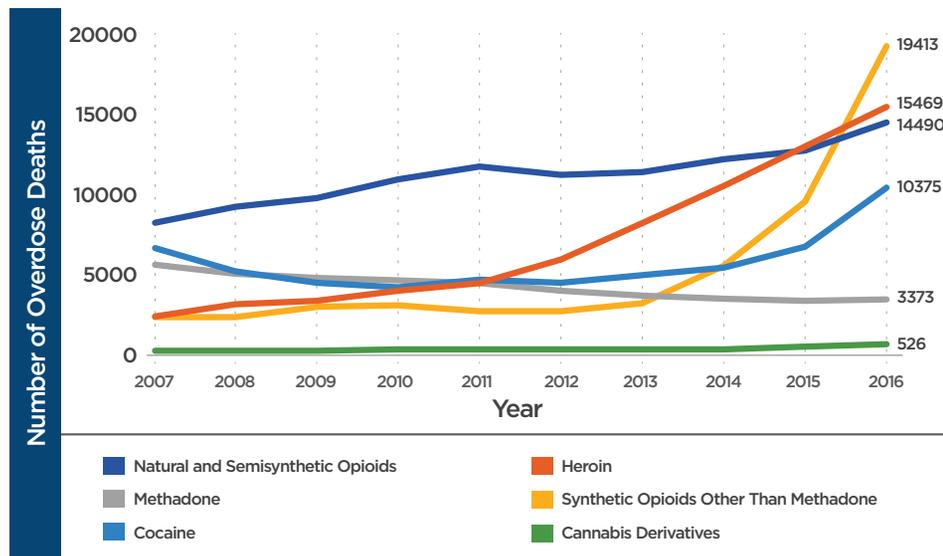
⁴ *International Trade Administration, China – eCommerce*.

⁵ United States Senate Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations, "Combating the Opioid Crisis: Exploiting Vulnerabilities In International Mail," (PSI Report), January 23, 2018.

A Growing Problem

In 2016, over 63,000⁶ Americans died from drug overdoses. Driving the increase in drug overdose deaths is the increasing prevalence of synthetic opioids.⁷ The death toll from these lethal drugs rose 525 percent (3,105 to 19,413) from 2013 to 2016⁸ (see Figure 1 for an overview of the number of deaths by drug). In response to this dramatic increase, President Trump declared the opioid epidemic a Public Health Emergency on October 26, 2017.⁹

Figure 1. U.S. Overdose Deaths by Drug, 2007-2016



Source: Data compiled from CDC WONDER, December 2017.

The opioid epidemic has devastated communities across the nation. In 2015, opioid addiction was estimated to have cost the U.S. economy \$504 billion – 2.8 percent of the U.S.’s total gross domestic product (GDP).¹⁰ Between 21 and 29 percent of people prescribed opioids for chronic pain misuse them.¹¹ Rural America has been especially impacted by the opioid epidemic.

Problems related to the opioid crisis strain community resources as well. The U.S. Department of Justice invested nearly \$59 million in grant programs to strengthen drug court programs and address the opioid epidemic.¹² Emergency rooms across the country saw a 30 percent increase in the number of overdose visits from July 2016 to September 2017.¹³ The opioid crisis has also put a significant strain on families, as nearly 2.5 million children are being raised by grandparents or extended family because of this struggle in the home.¹⁴

The Origin of Opioid Addictions

Opioids are a class of drug used to treat pain. The Centers for Disease Control and Prevention (CDC) classifies opioids into three categories: prescription opioids, fentanyl, and heroin.¹⁵ The progression of addiction might include more than one of these categories. The starting point for the opioid crisis likely originated in the healthcare system. According to the National Institute on Drug Abuse, pharmaceutical companies in the 1990’s reassured the medical community that patients would not become addicted to opioid pain

Fentanyl, a Synthetic Opioid

Perhaps the most well-known and increasingly prevalent synthetic opioid is fentanyl. Fentanyl is legally used to manage severe or post-surgery pain. It is 50 to 100 times more potent than morphine, and 30 to 50 times deadlier than heroin. Its chemical relatives are numerous, with the most potent, commercially used variety being carfentanil – an elephant tranquilizer over 10,000 times stronger than morphine.

⁶ CDC annual drug overdose data for 2017 will be available in December 2018.

⁷ Synthetic opioids are lab-created drugs that either are or have effects similar to opiates.

⁸ U.S. Postal Service Office of Inspector General (OIG) analysis of CDC WONDER data. CDC WONDER is available at <https://wonder.cdc.gov/>.

⁹ Office of the Press Secretary, The White House, October 26, 2017.

¹⁰ The White House’s Council of Economic Advisors created a cost estimate for the cost of fatal and non-fatal opioid abuse in America. Council of Economic Advisors, The Executive Office of the President, “The Underestimated Cost of the Opioid Crisis,” November 2017, p 7.

¹¹ National Institute on Drug Abuse, “Opioid Overdose Crisis”.

¹² Department of Justice, Office of Public Affairs, “Department of Justice Awards Nearly \$59 Million to Combat Opioid Epidemic, Fund Drug Courts,” September 22, 2017.

¹³ Centers for Disease Control and Prevention, Vital Signs, “Opioid Overdoses Treated in Emergency Departments”.

¹⁴ Generations United, “Raising the Children of the Opioid Epidemic,” State of Grandfamilies 2016.

¹⁵ CDC, “Opioid Basics”.

relievers and healthcare providers began to prescribe them at greater rates. Increased prescription of opioid medications led to widespread misuse before it became clear that these medications could indeed be highly addictive. Now, opioids — prescription and illicit — are the main driver of drug overdose deaths.

The stories of opioid addiction often begin the same way. A person is injured or faces chronic pain and seeks medical attention from a doctor, who prescribes an opiate to reduce the pain, which serves its purpose for a certain amount of time.¹⁶ As the user's body develops a tolerance, the patient needs to take more pills to attain the same effect, often leading to dependence on the opiate to feel "normal," which can easily turn into prescription painkiller abuse. Nearly 80 percent of heroin users reported misusing prescription opioids first. Heroin is a stronger drug that achieves a similar effect. Fentanyl is sometimes cut with heroin to produce a stronger effect. While fentanyl can be prescribed legally, it can also be ordered online illegally and shipped to a user's home or bought on the street.

Illicit synthetic opioids come primarily from China and Mexico, either by being sent directly into the U.S. using the services of a package shipping provider or trafficked by land across the northern or southern U.S. borders. While large volumes of fentanyl have been seized at the southwest border, these seized drugs are typically low in purity. Fentanyl seized in the mail, primarily from China, is in smaller quantities but with a much higher purity – making it more valuable and more dangerous than the less potent, overland-trafficked drug.¹⁷

The Internet and Illicit Drugs

Individuals can now order nearly any type of illicit drug online and have it delivered to a location of their choosing, all from the comfort of their own home. Drug traffickers have found that dealing through the internet is safer because they do not have to personally interact with buyers. The internet – specifically the evolution of the dark web – has changed those transactions and dramatically reduced the risks of being detected.¹⁸ Drug trafficking websites on both the dark

web and publicly accessible websites provide shopping experiences similar to popular digital stores. Instead of credit cards, buyers and sellers use cryptocurrencies¹⁹ to ensure anonymity. With the click of a few buttons, buyers can order their drug of choice and schedule delivery to their home or, as one website suggests, the Post Office Box or address of an inattentive neighbor.

Dark Web Sellers Using the Postal Service

An Ohio couple was criminally charged after allegedly using the Postal Service to send shipments of fentanyl from their dark web business. Federal law enforcement officials, including the U.S. Postal Inspection Service, bought fentanyl from their dark web shop and tracked the package of drugs being sent from a post office in Kentucky. Subsequent investigations showed the markings on the delivered drug package matched those of at least 40 other packages sent through the Postal Service. The U.S. attorney said the drugs seized from the couple were enough to kill "a football stadium full of people."

Currently, the dark web has online marketplaces that host webpages, allowing traffickers to sell a wide variety of products. Instead of clothes, collectibles, and other items that customers shop for on clear web marketplaces, dark web vendors sell illicit drugs, guns, stolen identities, and pornography. The dark web ensures the anonymity of purchases by employing untraceable Internet Protocol (IP) addresses and requiring cryptocurrencies to make purchases. The federal government has shut down some of these online bazaars, but more have sprung up in their wake.²⁰ Dark web buyers can be large operations buying a drug in bulk for redistribution or individual users buying for their personal use. These illicit purchases often rely on mail shipment companies, including the Postal Service, to deliver products to customers as they provide greater opportunities for anonymity than other delivery options, such as human couriers.

¹⁶ Opioids are substances that produce morphine-like effects and are primarily used for pain relief. There are both legal and illegal opiate varieties. For instance, a doctor can prescribe morphine, but heroin is an illicit drug.

¹⁷ Drug Enforcement Agency, Report Number [DEA-DCT-DIR-040-17](#), "2017 National Drug Force Assessment," October 2017, p.vi and 65, (hereinafter 2017 NDTA).

¹⁸ The dark web is an intentionally concealed internet location that is only accessible to users who download special software that anonymizes their computer's location.

¹⁹ A cryptocurrency is a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

²⁰ Allison Schrager, *Quartz*, "The Safe, User-Friendly Way to be a Little Drug Lord: Economic Secrets of the Dark Web," September 16, 2015.

The Flow of Illicit Drugs Through the Postal Service Network

The Drug Enforcement Agency (DEA) identified six illicit drug types being shipped into the U.S. from overseas through the mail or private carriers: synthetic opioids (especially fentanyl), ecstasy, methamphetamine, cocaine, marijuana, and synthetic psychoactive substances.²¹ These drugs are in addition to the drugs that are grown or produced within the U.S. and shipped domestically to drug dealers and customers. The Postal Service processes and delivers 47 percent of the world's mail and delivers hundreds of millions of private carriers' ground packages.

The growing reliance of drug traffickers on shipping organizations to deliver their products has major implications for the Postal Service. The presence of packages containing illicit drugs in the mailstream puts Postal Service employees in harm's way and jeopardizes its brand. Every story about drugs being shipped through the postal network erodes the public's trust in the postal system.

The flow of illicit drugs through the postal network depicted in Figure 2 begins with an individual in the U.S. ordering illicit drugs through a web-based marketplace from a drug trafficker, either domestic or international. Dealers on the dark web describe how they ship the drugs, [REDACTED]

[REDACTED] Once the drug trafficker prepares an order, they may bring it to a postal operator or private carrier, either domestically or internationally, for transport to the dealer. The paths of domestic and international packages differ.

International Package Flow

International traffickers use several means of transporting drugs to the U.S., including in packages sent via a private carrier, such as UPS or FedEx, or through their country's postal operator.²² Many foreign postal operators ship internationally using an international postal express network called Express Mail Service, or EMS.²³ When the drug trafficker ships a package destined for the U.S., the trafficker will provide information about the package, including a customs form. At this point, control over the package is with the foreign postal operator.

Information collected about international packages and the screening process varies between the Postal Service and private carriers. Private carriers accept international packages at their offices in the country of origin, so they are able to collect the information they need directly from the customer. This closed network makes it easier for private carriers to get package data than the Postal Service, which only has data it is provided by the country that accepted the package.

Generally, the foreign postal operator delivers the package to an international airport for shipment to the U.S. The U.S. [REDACTED]

[REDACTED] While the Postal Service has no control over these international inbound packages prior to their arrival in the U.S., they are responsible for accepting and processing them when they arrive.

While the mailpiece is in transit to the U.S., some foreign postal operators provide information about individual mailpieces, based

on data sharing agreements. This information, called Advance Electronic Data (AED)²⁴, can include details such as the recipient's name and address, the sender's name and address, and package contents. While some countries have agreed to provide AED, many have not, and the Postal Service is bound by international standards to accept mail from all countries.²⁵ As of June 2018, the Postal Service received AED for 45 percent of international mail containing goods. [REDACTED]

21 2017 NDTA, pgs. 14, 77, 94, 114, 121.

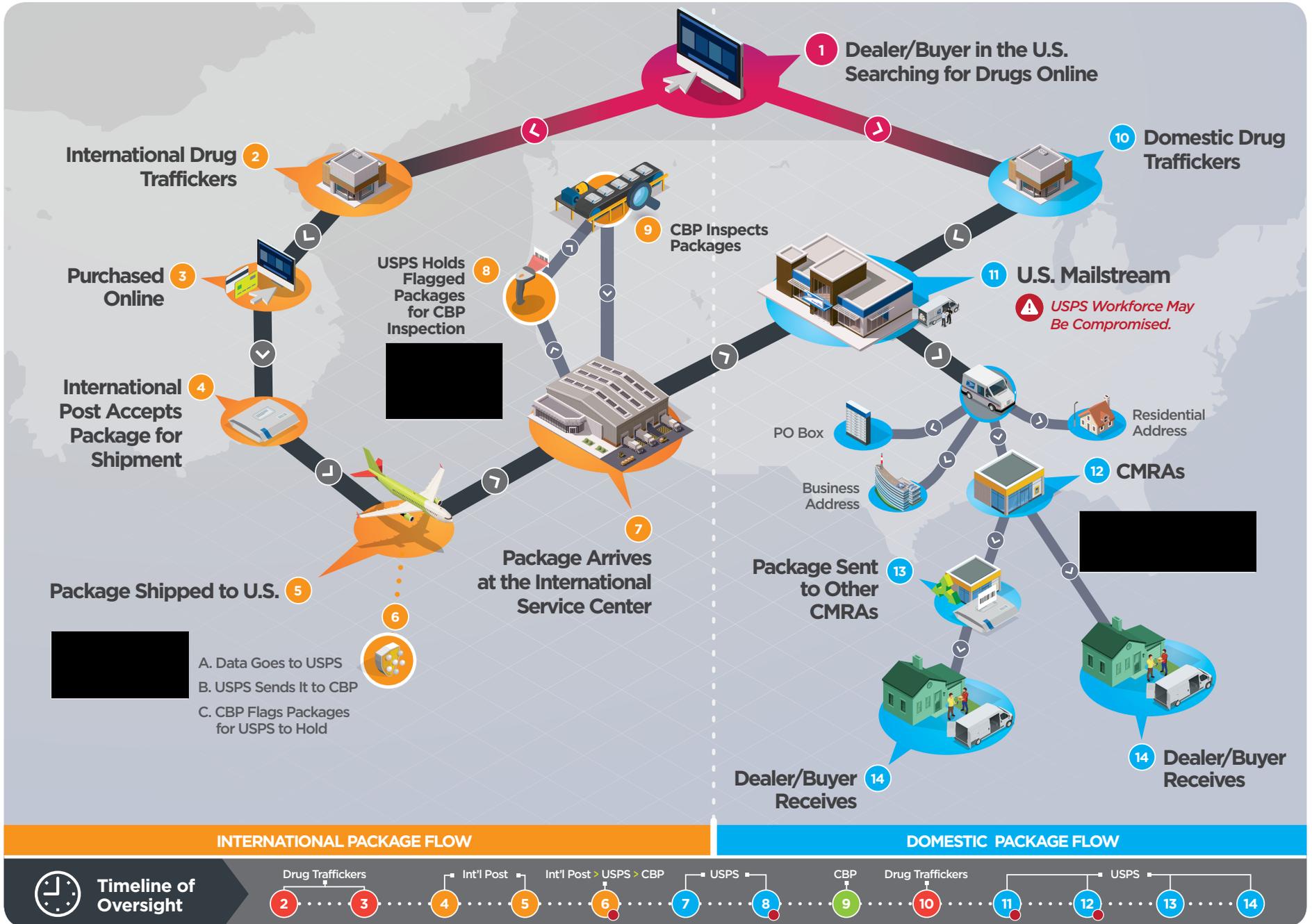
22 Drug traffickers also ship drugs into the U.S. on cargo ships and by land over the border. However, this report is focused on illicit drugs coming in through the postal network. For example, drug traffickers also ship drugs into the U.S. on cargo ships and by land across the border, some of which are entered into the mailstream while others do not.

23 EMS was created by the Universal Postal Union to deliver goods internationally through member postal providers.

24 By Advanced Electronic Data, the OIG is referring to Item Attribute Pre-Advice Message Data (ITMATT), which includes information about sender, addressee, and item content, as well as Pre-Advice of Dispatch Prepared Data (PREDES), which includes information about the number and weight of items shipped together in a container. This report primarily discusses ITMATT.

25 Beginning September 1, 2018, the Postal Service will require countries to provide AED on EMS, a subset of packages destined for the U.S. While this expectation has been communicated to all countries that are members of the Universal Postal Union, [REDACTED]

Figure 2. Illicit Drug Flow through the Mailstream From Drug Traffickers to Buyers



Source: OIG analysis. This figure is a general depiction of illicit drug flows through the Postal Service network, and does not reflect every possible source of drugs entering the country.

[REDACTED]

International mail generally arrives at a U.S. airport in large containers and ground handlers²⁶ transport it to one of five Postal Service International Service Centers (ISC). ISCs received about 498 million international packages in 2017, an average of over 1.3 million packages each day.²⁷ Once at the ISC, the Postal Service processes the international mail and prepares it for delivery through its domestic network. During this time, CBP has the primary responsibility to inspect inbound international mail. CBP officers have authority, with limited exception, to open and examine packages and sealed letter class mail that appears to contain matter other than correspondence, provided they have reasonable cause to suspect the presence of merchandise or contraband.²⁸ CBP identifies packages for additional inspection based on [REDACTED]

International inbound mail volume has grown over the past five years, creating challenges for the Postal Service and CBP in inspecting mail while ensuring timely delivery.

[REDACTED]

After CBP has completed its inspections, cleared international mailpieces are entered into the Postal Service mailstream. International mail is transported to processing facilities where it is commingled with domestic mail and processed and delivered in the same manner.

Domestic Package Flow

Drug traffickers in the U.S. can send their packages like any other customer — dropping them in a blue collection box, or presenting them at a post office or through a third-party approved shipper.²⁹ The Postal Service transports packages from any of these origins to sorting facilities, where processing equipment scans and routes them to the delivery unit that will deliver the package to its final destination.

Once a mailpiece arrives at the destination delivery unit, a letter carrier will deliver it to a business, a residence, a P.O. Box, or a CMRA. These letter carriers are

[REDACTED]

With regards to CMRAs, they are private businesses that enter into an agreement with the Postal Service to provide private mailbox services. Under this agreement, letter carriers deliver all customers' mail in one delivery to the CMRA, which then distributes it to the private mailboxes of individual customers. Once mail is delivered to a CMRA, control of the mail passes from the Postal Service to the CMRA to sort and hold the mail for pickup by the recipient. According to the USPS, persons conducting illegal activity frequently rent private mailboxes at CMRAs to disguise their identity, location, or business name.³⁰

²⁶ Ground handlers are aviation employees that service the plane while it is on the ground.
²⁷ OIG Report Number CP-AR-18-004, *Inbound International Parcel Volume Variance*, April 20, 2018. This count includes ePackets, Express Mail Service, Parcels, and Letter Class Untracked Packets. ePackets are small packages weighing up to 4.4 pounds with tracking and delivery confirmation features.
²⁸ Exceptions are official documents of the U.S. government; mail addressed to ambassadors and ministers of foreign countries; and mail sent to international organizations designated by the president as public international organizations pursuant to the International Organizations Act.
²⁹ Approved shippers are established when agreements are made with existing independent shipping and mailing companies. Postal Service, "Approved Postal Provider Program".
³⁰ Publication 146, *A Law Enforcement Guide to the U.S. Inspection Service*, p. 25.

Investigations have identified instances involving drug traffickers [REDACTED]

The OIG has worked cases where drug traffickers have used CMRAs to distribute and receive illicit drugs. [REDACTED]

Current Efforts to Combat Illicit Drugs

By shipping drugs through the Postal Service network, drug traffickers are using government resources to perpetuate a crime. The Postal Service has made efforts to combat the use of its network to facilitate illicit drug distribution. The United States Postal Inspection Service (USPIS) is a law enforcement agency within the Postal Service and its mission includes protecting Postal Service employees from the dangers of handling packages containing illicit drugs and ensuring public trust in the mail. The Postal Service has long used the USPIS's narcotics program to detect illicit drugs being shipped through the mail and deter this practice by investigating drug trafficking organizations attempting to use the mail to distribute its products. Because of its efforts, USPIS drug seizures have been on the rise since FY 2014, with over 40,000 pounds seized in FY 2017. The USPIS continues to coordinate its efforts with federal, state, and local law enforcement agencies and is incorporating analytics of postal operational and human resources data into its model.

Along with the USPIS' investigative efforts, the Postal Service is negotiating data-sharing agreements with foreign postal operators to increase the amount of AED it receives. Their efforts have resulted in an increase from [REDACTED] countries sending AED between January 2017 and April 2018.

In November 2015, the Postal Service initiated a pilot program at one ISC to process CBP [REDACTED]. The Postal Service has improved its operational response to CBP requests to hold and present suspected inbound international mail. By January 2018, the Postal Service expanded the program to all five ISCs and reported that it increased the percentage of CBP-requested packages retrieved from [REDACTED] percent in May 2017 to [REDACTED] percent in June 2018. In addition, the Postal Service enhanced network equipment at the ISCs by deploying mobile scanners at all ISCs to improve the receipt scans of CBP hold requests. Finally, CBP and the Postal Service agreed to memorandums of understanding that dictate the correct flow of flagged packages at each ISC. In April 2018, a Postal Service executive testified before the U.S. House of Representatives that collecting more AED "has been and remains one of the highest priorities for the Postal Service."³¹

Despite the Postal Service's efforts, vulnerabilities in the network remain. International and domestic drug traffickers have identified in their marketing to and communications with customers that they use the Postal Service to distribute illicit drugs. In fact, of 104 drug product sites we searched on the dark web that identified a shipper, 92 percent (96) indicated they used the Postal Service to distribute drugs. Furthermore, 54 percent (56 of 104) of the traffickers that identified a shipper were located in the U.S. and shipped domestically, and all but one of these advertised using the Postal Service. The OIG did not make any purchases on the dark web, so as to not put Postal Service employees at risk of exposure to illicit drugs.

Some traffickers also claimed that very few of the packages they sent through the Postal Service network containing illicit drugs were seized. For example, a cocaine trafficker claimed to have used the Postal Service to successfully distribute nearly 4,000 shipments, stating that they had a 100 percent delivery success rate. In addition, of the 96 traffickers who indicated they used the Postal Service as their shipping provider, 43 percent (41) offered free, partial, or full reshipment if the package did not arrive to the buyer's address because it was confiscated, stolen, or lost.

³¹ United States House of Representatives, Ways and Means Trade Subcommittee, Statement of Robert Cintron, Vice President, Network Operations, United States Postal Service, April 5, 2018.

“Taking a chance of mailing weed in the USPS has proven for many to have its upsides. For one, it can seem safer than purchasing marijuana (or other drugs) off the street from unknown persons. For two, it can become a somewhat “anonymous” process, especially with the uprising of the automated shipping clerk machines popping up in 24/7 access USPS lobbies.”

– Drugs and Bad Ideas Website

On the clear web,³² 80 percent (16) of the 20 sites we visited that provided guidance on how to mail illicit drugs instructed traffickers to use the Postal Service for shipments. Over half (11) of the sites also offered instructions on how to package drugs to avoid detection, and nine sites specifically suggested using the Postal Service instead of private carriers. These how-to websites often cited the Postal Service’s limited ability to open and search packages and its higher mail volume, which they assumed lessened the risk of detection, as reasons for preferring the Postal Service to distribute illicit drugs.

Continued vulnerabilities make the Postal Service network susceptible to use by drug traffickers. Congressional action could help mitigate some of the vulnerabilities, while the Postal Service could mitigate others on its own.

The Postal Service could inform Congress of existing laws that create vulnerabilities to its network. For example, the USPIS is currently prohibited from opening packages suspected of containing illicit drugs without first acquiring a search warrant. Criminals realize this and prefer to use the Postal Service for this reason. Also, there is not a distinct penalty in the federal sentencing guidelines for using the Postal Service network to facilitate illicit drug distribution.

Aside from Congressional action, there are a number of vulnerabilities in the Postal Service network it could address on its own. The Postal Service has taken some measures to combat the flow of illicit drugs, but it does not have a cohesive and comprehensive organization-wide strategy to address this problem. Vulnerabilities include the need for USPIS to enrich its data analytics and enhance the security and isolation of suspected packages. [REDACTED]

Finding #1: Limited Ability to Open and Inspect Suspected Packages

Laws, regulations, and procedures applicable to the Postal Service compared to those applicable to CBP and private carriers make the Postal Service more susceptible to illicit drug trafficking. While both private carriers and CBP are authorized to search and open almost all international inbound packages, the Postal Service is generally prohibited from opening any sealed U.S. mail, including packages.

The Postal Service has limited ability to open and inspect packages to determine if they contain illegal material. The Fourth Amendment to the Constitution and postal regulations protect sealed mail from inspection, as opening it without a federal search warrant would be considered an illegal search and seizure. The Fourth Amendment and postal regulations do allow postal law enforcement to open a package if they obtain a federal search warrant based on probable cause, or briefly detain a package if they have reasonable suspicion the package contains contraband. However, private carriers, such as UPS, FedEx, and DHL, have the authority to open packages because they enter into individual contracts with their customers that include a stipulation allowing them to open and inspect packages at any time. Criminals realize this and prefer to use the Postal Service for this reason.

A combination of legislation and action by the Postal Service could help minimize the use of the postal network to facilitate illicit drug distribution. Specifically, Congress could pass legislation clarifying that the sanctity of mail sealed against inspection applies only to letters, and that all packages sent by mail are subject to inspection without a warrant, based on reasonable suspicion. In conjunction with such legislation, the Postal Service could put the public on notice of the reduced expectation of privacy in packages. Any such changes to statutes and postal procedures would be subject to review by the courts, and could be struck down as unconstitutional if drafted or implemented too broadly. For a discussion of the law in this area, see [Appendix B](#).

³² The clear web refers to the region of the internet most people are familiar with, including publicly accessible web pages indexed on search engines.

Recommendation #1

We recommend the **Chief Government Relations Officer** work with Congress to develop legislative changes that would result in the Postal Inspection Service being authorized to open and inspect domestic packages suspected of containing illicit drugs.

Finding #2: Penalties for Mailing Illicit Drugs

Drug traffickers identified the perceived lower risks of being caught by maintaining their anonymity as one of the reasons for using the Postal Service network. This benefit is attractive to drug traffickers, as is the fact that the use of the postal network to facilitate illicit drug distribution does not carry a harsher or additional penalty. The penalties for an in-person drug deal and those for using the postal network for drug distribution are the same.

Federal law makes it a crime for people to use a “communication facility” (any type of communication instrument including the phone, mail, etc.) to cause or facilitate a felony drug distribution transaction.³³ The communication facility charge appears designed to act as a plea-bargaining chip for use on indirect players in a drug transaction. The maximum penalty for this crime for a first offense is four years and/or a fine. While the sentencing guidelines provide a separate range for using any means of communication, a sentence for using the mail can run concurrently with any underlying controlled substance felony. For example, distributing any amount of illicit fentanyl has a maximum sentence of 20 years. A trafficker willing to take the risk in distributing this drug can avoid any face-to-face transaction by using the Postal Service and not receive any additional jail time if caught.

Imposing a mandatory minimum sentence for each drug package sent by mail (or aiding and abetting the sending of drugs through the mail) could act as a deterrent to drug traffickers. The Postal Service could work with relevant executive agencies, such as the Department of Justice, to present the enhanced

penalty for drug distribution in school zones³⁴ (doubling maximum punishment for distributing drugs within a specific proximity to a school, playground, etc.) as a model to Congress for proposed legislation. This would help deter postal employees and drug traffickers from utilizing the Postal Service network.

Recommendation #2

We recommend the **Chief Government Relations Officer** work with relevant executive agencies, such as the Department of Justice, and Congress to develop legislative changes that would establish separate and enhanced criminal penalties for using the U.S. mail system to distribute illicit drugs.

Finding #3: Need for a Unified, Organization-Wide Strategy

While the Postal Service has taken measures to combat the flow of illicit drugs, it

Multiple departments throughout the Postal Service, including USPS, Operations, and Human Resources, have initiatives underway to tackle the illicit drug problem in a myriad of ways.

A single entity could oversee the success of each department’s efforts, identify areas where more resources might be necessary, and assess how to coordinate initiatives across departments. A centralized strategy would further enable the Postal Service to proactively fight the use of its network to distribute illicit drugs and meet emerging challenges as they arise.

In its FY 2017 to FY 2021 Five-Year Strategic Plan,³⁵ the Postal Service stated that it will continue developing an international platform to enhance solution capabilities, streamline processes, and improve visibility to meet the rapidly changing needs of the growing cross-border market and the evolving challenges

³³ 21 U.S.C. §843(b).

³⁴ 21 U.S.C. §860.

³⁵ Postal Service, *Future Ready Fiscal Years 2017-2021*.

related to export compliance and security. However, it does not include tactics to fight the use of its network to distribute illicit drugs.

Continued use of the Postal Service network to distribute illicit drugs, coupled with the expanding drug crisis, requires the Postal Service to strategize with all departments, establish measurable goals, and record associated costs. With an overarching strategy, the Postal Service could help combat drugs entering and traveling throughout the U.S., keep postal employees safer, reduce brand erosion, and make well-informed decisions about the future impact these efforts will have on its financial status, business operations, and the American public. Rather than initiatives beginning and ending within individual departments, a unified strategy would ensure a broader view of the problem and could enable collaboration, when appropriate.

Other agencies have developed organization-wide strategies to ensure that personnel are working toward the same goals. For example, CBP released an ecommerce strategy in March 2018 that addresses its security plan in response to the unprecedented growth in inbound international packages. The strategy notes an increase in shipments of illicit goods, including illicit drugs, via small packages, due to a perceived lower interdiction risk and less severe consequences if the package is interdicted.³⁶ The strategy lays out where the agency has room for improvement and what techniques remain successful. It then describes strategic goals with sub-objectives and plans for how it will measure success. The strategy acknowledges that CBP operations are currently optimized for high-value, containerized shipments, as well as a necessary shift in focus due to ecommerce growth. In addition, the President's Commission on *Combating Drug Addiction and the Opioid Crisis* report, dated November 1, 2017, supported comprehensive strategies across government agencies to address the opioid crisis and suggested the Postal Service give top-level attention to the crisis.

Individual Postal Service departments have taken steps to stop the flow of illicit drugs through the mail, but the efforts have been reactive and vulnerabilities in the network remain. For example, the USPIS has increased its narcotics-detection efforts and coordination with other agencies, especially with regard to sharing parcel seizure data. The Postal Service has also developed specific

objectives related to the collection of AED and hold-request coordination with CBP. [REDACTED]

Strategic planning helps assure that an organization remains relevant, proactive, and responsive to the needs of its community. It provides a basis for monitoring progress; facilitating new program development; and assessing results, costs, and impact. It enables an organization to look into the future in an orderly and systematic way. Vulnerabilities in the Postal Service network create an environment where drug traffickers perceive lower interdiction risks and less severe consequences if a package is targeted. A [REDACTED]

[REDACTED] This cost estimate could be used as a planning tool to assist in prioritizing next steps and a way to increase awareness about the resources needed to protect the postal network and the public. The cost estimate could also be used as a tool to educate and potentially support international mailing rate negotiations.

Recommendation #3

We recommend the **Postmaster General** designate an officer to consolidate existing efforts and lead the implementation of a unified, comprehensive organizational strategy to combat the role of the postal network in facilitating illicit drug distribution.

³⁶ Customs and Border Protection, [E-Commerce Strategy](#), February 2018.

Finding #4: Enriching Data Analytics to Identify Suspect Mailpieces

Opportunities exist for the USPIS to enhance its data analytics to identify and remove suspected mailpieces containing illicit drugs from its domestic mailstream. The USPIS uses multiple sources of information to identify packages that may contain illicit drugs, such as coordination with federal, state, and local law enforcement agencies. The USPIS also relies on a data model it developed through analytics of postal retail, delivery, mail processing, and human resources data, as well as information from historical drug seizures to identify suspicious packages in the mailstream.

The data model is based on historical data that compares attributes of mailpieces that were known to contain illicit drugs in the past with mailpieces currently in the postal network. In applying the model to key attributes about existing mail, the Postal Service is able to identify for inspection in near real-time mailpieces that may contain illicit drugs. Under the existing process, Postal Inspectors at various locations throughout the country receive a spreadsheet daily listing packages that may contain illicit drugs, based on the data model. The Postal Inspectors at the local postal facilities use that information, which includes key attributes about the packages, along with their experiences and other law enforcement intelligence, to assess whether to pursue a search warrant.

Elements of the USPIS's dynamic model change as new seizure data and criminal intelligence become available, allowing USPIS to better forecast and target both international and domestic parcels. However, USPIS does not have a formal process to determine whether the packages the model identified as potentially containing illicit drugs did, in fact, result in a seizure. Incorporating information about past successes could strengthen the model by allowing USPIS to see which indicators were most likely to result in a seizure.

Although the model can be a helpful tool for inspectors to supplement other data about potentially suspect packages, there is not systemic communication between USPIS headquarters and field personnel regarding the use and outcomes of this system. The Postal Inspectors use data from this model as a

tool for identifying packages for inspection, but do not report back on whether any of the potentially suspect packages actually contained illicit drugs. The model is not currently designed in a way to allow this type of feedback as a source of information. Automatically, or at least systemically, feeding the results of the package inspections back into the model could improve its accuracy.

The identification and inspection process is also limited by the amount of information it has about attributes of mailpieces that contain illicit material. Currently, the historical drug seizure data consists mainly of marijuana information because the bulk of USPIS's past drug seizures have been from marijuana violations. Since implementing the model in FY 2017, the USPIS achieved a significant increase in domestic and international seizures related to opioids. The number of opioid seizures increased almost seven and a half times between FY 2016 and FY 2017.

Recommendation #4

We recommend the **Chief Postal Inspector** enhance USPIS data analytics, including routine integration of the results of package inspections to further enrich its data model.

Finding #5: Enhancing the Security and Isolation of Suspected Packages

When Postal Service employees encounter a suspicious package, they are required to remove it from the mailstream, inform a supervisor, and contact the USPIS for guidance.³⁷ The supervisor is required to secure the suspected package until Postal Inspectors respond. Postal Inspectors have discretion to decide whether to seize the suspected package from a postal facility or have it mailed to them for further review. Based on the USPIS' assessment, location of the package, and Postal Inspector availability, the inspector will either pick up the package or request that it be mailed to the USPIS.

³⁷ POM Issue 9, Section 139.117

There is currently no process in place to automatically locate and redirect suspected packages in the mailstream for inspection. Instead, USPIS inspectors must physically go to a postal facility to retrieve a potentially suspect package for inspection. The process is labor intensive, thereby limiting the number of packages the USPIS is able to inspect. Quickly identifying, isolating, and inspecting packages that may contain illicit drugs is crucial to prevent use of the postal network to distribute illicit drugs and protect postal employees from potentially dangerous exposure. This process becomes even more of a challenge with the increasing potency of illicit drugs and volume of packages in the mail.

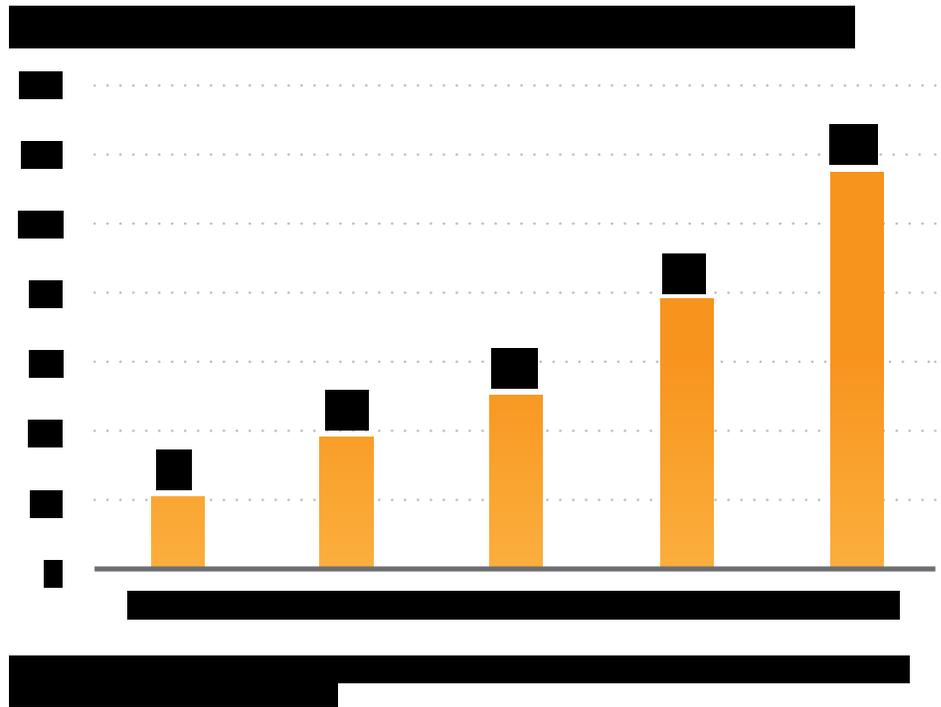
To reduce the time and risks associated with handling packages that may contain illicit drugs, there is an immediate need for the Postal Service and USPIS to automate the process of retrieving packages. The Postal Service's current efforts to increase its automation of processing packages at the ISCs and processing and distribution centers create an opportunity for USPIS to automate this process. For example, an electronic redirection of potentially suspect packages could increase the efficiency of the process, allowing for more mailpieces to be inspected, while decreasing exposure of fatal illicit drugs to employees. This could prevent harm or danger, deter criminal activity, affect drug investigations and prosecutions, and positively impact the Postal Service's brand and the integrity of the mail.

Recommendation #5

We recommend the **Chief Postal Inspector coordinate with the Postal Service Chief Operating Officer** to establish a process to more efficiently divert packages suspected of containing illicit drugs to centralized inspection locations for evaluation in an isolated and secure site.

Finding #6: Risk of Employee Collusion with Drug Traffickers

[Redacted]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Finding #7: Oversight of Commercial Mail Receiving Agencies

The Postal Service’s lack of oversight of CMRAs make them vulnerable to drug traffickers using them as part of the Postal Service network to facilitate illicit drug distribution. According to the USPIS, persons conducting illegal activity frequently rent private mailboxes at CMRAs to disguise their identity, location, or business name.

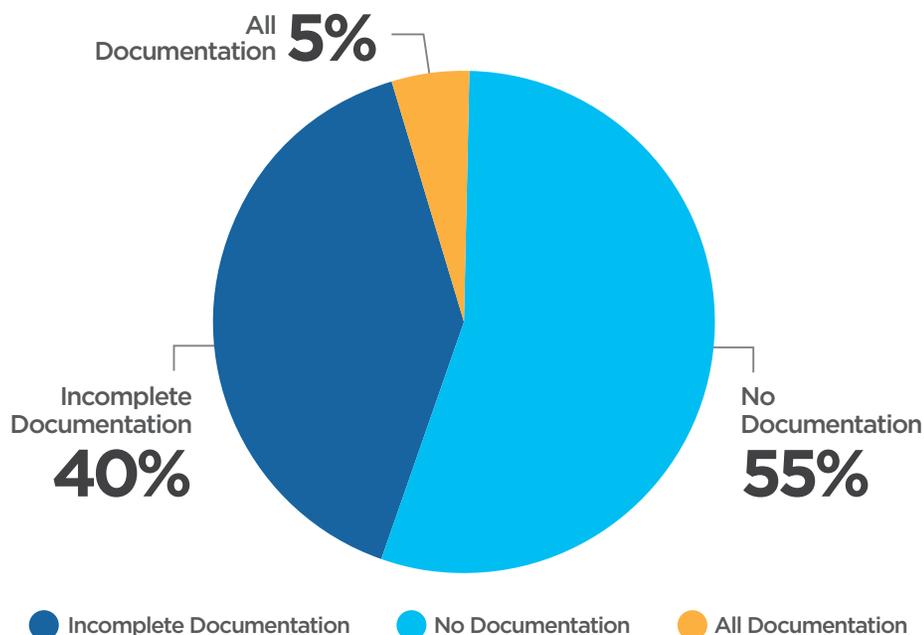
[REDACTED]

Postal Service officials did not adhere to oversight policies and procedures at each of the 12 post offices and 20 CMRAs we visited. We chose these facilities based on a judgmentally selected sample from states with high per capita drug overdose rates (see [Table 2, Appendix A](#)). Postal employees at these locations did not review and maintain necessary documentation to verify and track CMRAs and their customers. Specifically, post office officials had none of the required documentation for 11 of the 20 CMRAs serviced (55 percent), which includes an application for the private business to act as a CMRA and separate applications for each of its customers that allow CMRAs to receive mail on behalf of their

38 October 1, 2017 to May 3, 2018.
39 Department of Justice, Northern District of Georgia, [Sixteen U.S. Postal Service Workers Charged with Accepting Bribes to Deliver Cocaine](#), August 30, 2017. The cases are being tried individually and are at different stages of completion. All parties are presumed innocent until proven guilty.
40 Department of Justice, Northern District of Ohio, [Richmond Heights Man Sentenced to 15 Years in Prison for Receiving Four Pounds of Methamphetamine and Postal Service Letter Carrier Sentenced to Eight Years in Prison For Diverting and Delivering Packages of Drugs](#), May 9, 2018.

customers.⁴¹ Post offices had incomplete documentation for 40 percent (8) of CMRAs, and only one post office had complete documentation for one CMRA (see Figure 3).

Figure 3. Amount of CMRA Documentation Post Offices Maintained



Source: OIG analysis.

At the seven post offices that maintained some form of CMRA documentation for the nine CMRAs, we found officials did not have records for 66 percent (770) of the 1,169 customers renting private mail boxes.⁴²

Further, we reviewed 232 applications available at these post offices that allow CMRAs to receive mail on behalf of their customer, and found:

- Sixty-nine percent (161) were incomplete. For example, the date on the form, the applicant’s name, or home address was incomplete, or the form was missing either the applicant’s or the CMRA representative’s signature.
- Fifty-six percent (129) did not include acceptable forms of identification to confirm the applicant was who they claimed to be and verified the applicant’s address.⁴³ For example, CMRA representatives accepted credit cards and cards from stores like Costco and Sam’s Club as acceptable forms of identification. In addition, when the address on a customer’s application did not match the identification address, no one validated the information with another acceptable source document, such as a utility bill or a current lease.

In addition to reviewing applications that post offices maintain for CMRAs and their customers, we also reviewed mailpieces destined for CMRAs. We found that 48 of 145 mailpieces (or 33 percent) were addressed to individuals who were not listed as current CMRA customers.

Headquarters retail management did not maintain an accurate or complete listing of CMRAs. Instead, local post office officials were required to maintain a list of those CMRAs that they serviced and enter CMRA delivery information into the Address Management System (AMS).⁴⁴ However, local postal officials did not consistently update CMRA business and location information in AMS. Specifically, AMS indicated there were 21 CMRAs registered to the 12 judgmentally selected post offices. During our site visits, we identified three of the 21 CMRAs were no longer in business and identified two additional CMRAs that were not included in AMS. One CMRA was in business for at least three years and the other CMRA was in business for about seven months.

⁴¹ Postal Service policy requires post offices maintain and update quarterly a list of customers renting private mailboxes at each CMRA, as well as an application for each of the CMRA’s customers, known PS Form 1583, *Application for Delivery of Mail Through Agent*. Postal Service policy also requires post offices delivering to CMRAs collect and maintain a Postal Service (PS) Form 1583-A, *Application to Act as a Commercial Mail Receiving Agency* to establish the CMRA as a delivery point.

⁴² We reviewed all CMRA customer applications on file at the post offices; however, a statistical sample of applications was reviewed for three CMRAs and we projected the results.

⁴³ One form of identification must contain a photograph of the addressee(s). Acceptable identification includes: valid driver’s license or state non-driver’s identification card; armed forces, government, university, or recognized corporate identification card, passport, alien registration card or certificate of naturalization; current lease, mortgage or Deed of Trust; voter or vehicle registration car, or a home or vehicle insurance policy. Social security cards, credit cards, and birth certificates are unacceptable forms of identification.

⁴⁴ AMS data is used to deliver mail to every address in the country and assist in identifying and tracking mail.

Of the CMRAs no longer in business, one had been closed for at least two years and the remaining two were closed for more than a year. The facility management at both delivering post offices had recently certified existence of the closed CMRAs in the Facilities Database (FDB).⁴⁵

Lack of proper oversight of CMRAs and their customers occurred because the Postal Service does not have a sufficient CMRA program to ensure consistent compliance with and knowledge of CMRA policies and procedures at local post offices. The Postal Service does not have a centralized program or organizational emphasis on managing CMRAs. Postal headquarters, area, and district officials do not play a role in overseeing CMRA processing at the facilities.

Post office management did not properly oversee the CMRA process due to a lack of knowledge of the requirement, turnover in post office management, and the higher priority of delivering mail leading to less of a focus on maintaining documentation. For example, one post office had not had a permanent supervisor for almost four years. The newly appointed supervisor could not locate either the CMRA or customer applications but was familiar with the forms from a previous assignment. Further, post office management did not complete periodic compliance reviews because they were unaware of the requirements, and were focused on other priorities that involved mail delivery and carrier timeliness.

Providing centralized oversight of compliance with CMRA documentation is also difficult because the forms are collected and maintained in paper form; the Postal Service does not allow for electronic completion and submission of the forms. Relying on manual collection, maintenance and review makes the oversight process more time consuming and difficult to manage.

In 2014, headquarters retail officials and representatives from the USPIS conducted site visits to understand the CMRA process. Based on these observations and interviews, they considered converting the manual CMRA process to an electronic process. A Lean Six Sigma project was drafted in 2017, three years after the site visits. However, neither department completed the Lean Six Sigma process, nor could a leader of the project be identified.

The Postal Service initiated a new Lean Six Sigma project to review CMRAs in April 2018.

The volume of tracked mail to CMRAs grew nearly 4 percent from FY 2016 to FY 2017, going from about 24.8 million to 25.8 million pieces.⁴⁶ We found clear web sites with instructions to rent a private mailbox from a CMRA to receive drug shipments. [REDACTED]

Recommendation #7

We recommend the **Vice President of Retail and Customer Service Operations** institute a comprehensive Commercial Mail Receiving Agencies (CMRA) program to increase adherence to existing CMRA procedures and improve existing policies. Specifically, the program should be centralized and automated to ensure postal employees are following CMRA documentation requirements and conducting oversight of CMRAs.

Management's Comments

Management disagreed with recommendations 1 through 6, and agreed with recommendation 7. Management did not specifically indicate agreement or disagreement with our findings, but stated the report is incomplete and makes inaccurate assertions. Management also specifically disagrees with aspects of the report related to finding and recommendation 3.

Regarding recommendation 1, management disagreed stating they do not consider that actively pursuing legislative change is necessary at this time because Postal Inspectors work with local U.S. Attorney's offices to obtain search warrants where probable cause exists and have the ability to present international parcels to CBP, which is authorized to open them.

⁴⁵ FDB contains characteristics associated with Postal Service operations for all facilities. Data within FDB goes through a certification process at least once a year.

⁴⁶ Our estimate used the Product Tracking and Reporting System (PTR). PTR is the system that records all delivery status information for mail and parcels with trackable services and barcodes. However, PTR does not include shipment information for standard mail or address data for all international inbound tracked mail. Because of this, our estimate is conservative

Regarding recommendation 2, management disagreed stating the recommendation addresses a matter of federal criminal sentencing policy and the decision to pursue any changes to the criminal code and criminal penalties is the province of other authorities.

Regarding finding 3, management stated our report is inaccurate to state the Postal Service lacks a unified, comprehensive organization-wide strategy to combat the flow of illegal drugs through the mail and that Postal Service efforts have been reactive. Management responded that they are, in fact, pursuing a collaborative, cross-functional, and proactive strategy. Specifically, management stated they have an organizational-wide commitment to combating the distribution of opioids through the mail and that the USPIS – as the law enforcement, crime, and security arm of the Postal Service – plays a central role in their efforts to prevent the flow of illicit drugs through the mail. Management further stated the UPSIS works closely with other Postal Service functions, including Operations and Human Resources, as well as other law enforcement agencies and maintains an aggressive and collaborative program to prevent and interdict drug parcels.

Regarding recommendation 3, management disagreed stating they would not designate a single officer to oversee all efforts concerning this issue. They also stated they already have a comprehensive, cross-functional, and organization-wide strategy to combat the use of the postal network to distribute illicit drugs that is coordinated and supervised at the Executive Leadership Team level, although many of these efforts are the direct responsibility of the USPIS and Chief Postal Inspector. However, management agreed to publish a document discussing their comprehensive strategy for the benefit of Postal Service stakeholders and will incorporate a specific discussion on this issue in their next update of the Five-Year Strategic Plan.

Regarding recommendation 4, management disagreed stating there was no need to make the recommendation because the USPIS is already enhancing its data analytics and has been continually developing and deploying analytic tools for interdiction.

Regarding recommendation 5, management disagreed stating the recommendation is operationally unsound and does not consider the various

techniques used in these types of investigations. The investigations are time-sensitive and would be hindered by using a centralized approach. Additionally, management stated they already have processes in place to temporarily detain and divert suspect packages to a centralized location when feasible.

Regarding recommendation 6, management disagreed stating that this recommendation was not needed because of their ongoing efforts [REDACTED]

Regarding recommendation 7, management agreed and stated they will develop a detailed timeline of actions to increase adherence to CMRA policies and procedures to include employee support materials, validation of existing data, and a process for automated oversight. The target implementation date is December 31, 2018. Management further stated that although they do not have a centralized means of overseeing CMRAs and did not maintain a complete listing of CMRA locations, they do have access to the Address Management System (AMS) and the Facilities Data Base (FDB) which can track CRMA information to local post offices and individual CMRAs.

See [Appendix C](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments unresponsive to recommendations 1, 2, 4, and 5; partially responsive to recommendation 3; and responsive to recommendations 6 and 7.

Regarding management's disagreement with recommendation 1, we maintain that working with Congress to develop legislative changes authorizing the USPIS to open and inspect domestic packages suspected of containing illicit drugs could create a deterrent effect on drug traffickers considering using the Postal Service. Working with Offices of U.S. Attorneys across the country to reach the probable cause standard can be time-consuming, inhibiting the ability for the USPIS to be able to efficiently search and seize packages containing illicit drugs. The Postal Service's inability to open packages without a warrant was consistently cited by drug traffickers online as a reason to use the Postal Service

to ship illicit drugs. Furthermore, the recommendation only speaks to domestic packages, so management's inclusion of their international protocol is unrelated to the recommendation.

Regarding management's disagreement with recommendation 2, we agree that this is a matter of federal criminal sentencing policy, but contend that the Postal Service has a role to play in such a change. While the decision does not lie with the Postal Service, it would benefit from educating decisionmakers on the impact the change could have on its network. The OIG's recommendation is meant to assert that it is appropriate for the Postal Service to pursue coordination with the Department of Justice and Congress, as well as other channels, such as Office of National Drug Control Policy (ONDCP) and the U.S. Sentencing Commission, to effectuate change to the sentencing guidelines.

Regarding management's disagreement with recommendation 3, we dispute management's assertion that they already have a "comprehensive, cross-functional, and organization-wide strategy to combat the use of the postal network to distribute illicit drugs." We acknowledged in the report that the Postal Service has taken several steps to address use of its network to facilitate illicit drug distribution, including many efforts within the USPIIS and with regards to gathering AED. These efforts, while necessary, do not constitute an organization-wide strategy.

Despite several requests, in person and in writing, Postal Service management did not produce or communicate a comprehensive, organization-wide strategy to address this issue. During one meeting, specifically designated to discuss the Postal Service's strategy, the OIG met with representatives from five departments, including a member of the Executive Leadership Team. We specifically asked for a strategy and were informed that one did not exist. Based on our attempts to understand the strategy, it appears that any existing organization-wide strategy is not well understood or known. The OIG continues to assert that having a single officer lead implementation of the strategy would be an appropriate measure to efficiently coordinate the efforts of the various groups involved in the strategy. We do consider management's plan to formally publish their strategy and include a discussion of the issue in its next update to the Five-Year Strategic Plan to be partially responsive to our recommendation.

Regarding management's disagreement with recommendation 4, we dispute management's assertion that they have already implemented this recommendation. In meeting with the USPIIS, the OIG received a demonstration of an analytical tool that could be used as an indicator of potential drug parcels. In that meeting, we discussed that while this information was pushed to postal inspectors in the field, the usefulness and accuracy of the tool was not routed back to data analysts from agents in the field. The analytical tools that are based on previous interdictions are only as strong as the data surrounding those previous interdictions; to date, most of USPIIS seizures have been of marijuana so the data on other types of drugs are limited. Providing information about the success of the tool in identifying packages containing an array of drugs would be helpful in strengthening the tool's predictive ability for the deadlier drugs flowing through the mailstream.

Regarding management's disagreement with recommendation 5, we dispute management's assertion that the processes in place are adequate. We reaffirm that interdiction of suspect packages is a resource-intensive, manual process that hinders the USPIIS from being able to inspect mailpieces that may contain illicit drugs. The OIG reiterates that to reduce the time and risks associated with handling packages that may contain illicit drugs, there is an immediate need for the Postal Service and USPIIS to automate the process of retrieving packages. Automation may come in various forms, including adoption of technology or other ways to electronically identify and redirect suspect packages earlier in the mailstream – before the package arrives at the delivery unit. This could prevent harm or danger, deter criminal activity, affect drug investigations and prosecutions, and positively impact the Postal Service's brand and the integrity of the mail.

Regarding management's disagreement with recommendation 6, we dispute management's assertion that they have already implemented this recommendation because

[REDACTED]

[REDACTED]

Regarding management's agreement with recommendation 7, we appreciate the Postal Service's planned steps to implement this recommendation. However, we want to clarify the purpose of the recommendation. The list of CMRAs in

AMS was not accurate or complete, as demonstrated by our visits, wherein three CMRAs listed in AMS were no longer in business, and two CMRAs were in business, but not in the AMS system. Further, neither the AMS nor FDB systems currently act as a repository for the documentation required for CMRAs. Ninety-five percent of the CMRAs for which we checked for documentation did not have all the required forms completed appropriately. These forms are currently retained at the local level.

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

Scope and Methodology

The report responds to a request from Senator Claire McCaskill, Ranking Member, U.S. Senate Homeland Security and Governmental Affairs Committee, to review the use of the Postal Service's network to facilitate illicit drug distribution. Specifically, the congressional request asked us to:

- Review current efforts to screen packages for illicit drugs shipped through the Postal Service, including how the Postal Service and other organizations share data and any challenges they face;
- Address differences in laws, regulations, and procedures governing the Postal Service and private carriers that may make it more susceptible to illicit drug trafficking; and
- Describe the limitations and vulnerabilities in the Postal Service network and postal policies, including:
 - Constraints on the quantity, reliability, and use of data to detect illicit drugs;
 - Employee involvement and collusion in drug trafficking, as well as efforts to mitigate this vulnerability; and
 - Requirements associated with CMRAs, along with the Postal Service's oversight of CMRAs.

To accomplish our objectives, we:

- Reviewed laws, regulations, and procedures governing the Postal Service.
- Reviewed the shipping path and screening processes for international and domestic packages that may contain illicit drugs.

- Reviewed the limitations and vulnerabilities in the Postal Service network including constraints on the quantity, reliability, and use of data to detect illicit drugs.
- Reviewed OIG investigative records and interviewed OIG and Inspection Service investigative management to determine the nature and extent of employee involvement and collusion in drug trafficking, as well as efforts to mitigate this vulnerability.
- Reviewed the requirements associated with CMRAs included in DMM Chapter 508, Recipient Services; and the Postal Operations Manual Issue 9, Chapter 612, Delivery of Addressee's Mail to Another.
- Conducted site visits to selected post offices and CMRAs from states with high per capita overdose deaths as shown in [Table 2](#).
- At the selected sites, interviewed Postal Service and CMRA management and personnel and reviewed associated CMRA documentation for completeness.
- Sampled mailed destined for delivery to each of the selected CMRAs and determined if the addressee was a current customer and the mailpiece was addressed properly.
- Reviewed and analyzed prior OIG audit reports.
- Reviewed and analyzed the U. S. Senate Permanent Subcommittee on Investigations Committee on Homeland Security and Government Affairs staff report *Combating the Opioid Crisis: Exploiting Vulnerabilities in International Mail*.

Table 2: Post Office Selected for Site Visits

Post Office Number	Associated CMRA(s)	Area	District
Post Office #1	CMRA #1	Eastern	Northern Ohio
Post Office #2	CMRA #2 CMRA #3	Southern	Suncoast
Post Office #3	CMRA #4 CMRA #5	Southern	Suncoast
Post Office #4	CMRA #6	Great Lakes	Gateway
Post Office #5	CMRA #7	Northeast	New York
Post Office #6	CMRA #8	Northeast	Northern New Jersey
Post Office #7	CMRA #9 CMRA #10	Southern	Oklahoma
Post Office #8	CMRA #11	Southern	Suncoast
Post Office #9	CMRA #12	Eastern	Ohio Valley
Post Office #10	CMRA #13 CMRA #14 CMRA #15	Capitol Metro	Capital
Post Office #11	CMRA #16 CMRA #17	Northeast	Northern New Jersey
Post Office #12	CMRA #18 CMRA #19 CMRA #20	Eastern	Ohio Valley

Source: OIG analysis.

We conducted this performance audit from February through September 2018, 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 objectives. We discussed our observations and conclusions with management on July 26 and August 2, 2018, and included their comments where appropriate.

We assessed the reliability of Address Management System data by comparing it to the Facilities Database. Although we identified inconsistencies between the two databases as discussed in the report, we determined that the data were sufficiently reliable for the purposes of this report.

Appendix B: The Law Regarding Package Inspection in the Mail

Current Law

International Mail

The Fourth Amendment protects Americans against unreasonable search and seizure, but there is a border search exception that authorizes appropriately designated government officials to perform searches of inbound international mail without a warrant.⁴⁷ This constitutional authority extends to sealed letter class mail.⁴⁸

U.S. Customs and Border Protection (CBP) has statutory authority to conduct border searches.⁴⁹ Thus, under the border search exception, CBP has the authority to search all inbound international mail without a warrant. Customs and postal regulations, however, condition CBP's authority to open "sealed letter class mail"⁵⁰ on reasonable suspicion that the mail contains items that are illegal or subject to customs duties.⁵¹ Reasonable suspicion is a lower standard than probable cause, but requires more than a hunch or generalized suspicion.⁵² By contrast, customs regulations require a federal search warrant, which must be based on probable cause, to open sealed letter class mail that appears to contain only correspondence,⁵³ or to read correspondence in any letter class mail.⁵⁴

In summary, inbound international mail is subject to inspection by CBP. If the mail reasonably appears to contain dutiable or illicit items, then CBP officers may open it without a warrant. If the mail is a sealed letter class envelope that appears to contain only correspondence, then a warrant is required to open it.

Domestic Mail

For purposes of searching domestic mail, a distinction must be made between mail sealed against inspection or "sealed mail," and mail not sealed against inspection or "unsealed mail."⁵⁵ Sealed mail is "mail on which appropriate postage is paid, and which, under postal laws and regulations, is included within a class of mail maintained by the Postal Service for the transmission of letters sealed against inspection."⁵⁶ Sealed mail includes First-Class Mail and Priority Mail, among others.⁵⁷ Unsealed mail is all other types of mail, including, for example, Periodicals, Marketing Mail, Parcel Select, and Retail Ground.⁵⁸

The Fourth Amendment, which protects against unreasonable searches, applies to sealed mail.⁵⁹ Under the Fourth Amendment, law enforcement may detain sealed mail for a brief period of time to obtain a search warrant, provided there is reasonable suspicion the item contains contraband.⁶⁰ Postal regulations likewise allow law enforcement to briefly detain sealed mail upon reasonable suspicion.⁶¹ To open and inspect sealed mail, the Fourth Amendment and postal regulations

⁴⁷ See *U.S. v. Ramsey*, 431 U.S. 606, 616-19 (1977).

⁴⁸ See *id.* at 619-22.

⁴⁹ See, e.g., 19 U.S.C. §§ 482, 1467, 1496; 19 C.F.R. §§ 145.2, 162.6. See also *U.S. v. Whiting*, 781 F.2d 692, 696-98 (9th Cir. 1986) (border search authority limited to officials specified by Congress); *U.S. v. Soto-Soto*, 598 F.2d 545, 549-50 (9th Cir. 1979) (same); *U.S. v. Victoria-Peguero*, 920 F.2d 77, 81-84 (1st Cir. 1990) (border search authority may be delegated by statutorily authorized officials); 19 U.S.C. § 1401(i) (statutory authority for delegation of border search authority).

⁵⁰ Customs regulations define "sealed letter class mail" as "letter class mail sealed against postal inspection by the sender." 19 C.F.R. § 145.1(c). The regulations in turn define "letter class mail" as "any mail article, including packages, post cards, and aerogrammes, mailed at the letter rate or equivalent class or category of postage." *Id.* at § 145.1(b).

⁵¹ See 19 C.F.R. § 145.3(a); Administrative Support Manual (ASM) § 274.911. Similarly, CBP officials may only open sealed outbound international mail weighing more than 16 ounces without a warrant if they have reasonable suspicion of illicit contents. See 19 U.S.C. § 1583(c)-(d); ASM § 274.912.

⁵² See *Terry v. Ohio*, 392 U.S. 1, 21-27 (1968).

⁵³ See 19 C.F.R. § 145.3(b).

⁵⁴ See 19 C.F.R. § 145.3(c). See note 4 *supra* for the definition of "letter class mail."

⁵⁵ See ASM § 274.23.

⁵⁶ ASM § 274.231(a).

⁵⁷ ASM § 274.231(b).

⁵⁸ ASM § 274.232.

⁵⁹ See *U.S. v. Van Leeuwen*, 397 U.S. 249, 251 (1970) (First-Class mail, such as letters and sealed packages, is protected from inspection except in the manner provided by the Fourth Amendment).

⁶⁰ See *U.S. v. Place*, 462 U.S. 696, 706 (1983);

⁶¹ See Administrative Support Manual (ASM) § 274.31.a, 274.31.d.

generally require either a federal search warrant or one of the few exceptions to the warrant requirement.⁶²

Unsealed domestic mail is not protected by the Fourth Amendment, because the mailer's choice to use such a type of mail is deemed to imply consent to search under postal regulations.⁶³ Thus, law enforcement may open and inspect unsealed mail without a warrant, based merely on a reasonable suspicion of illicit contents.

In summary, unsealed mail is subject to warrantless search by law enforcement upon reasonable suspicion. Sealed mail may be detained briefly upon reasonable suspicion; however, a federal search warrant is generally required to open and inspect sealed mail.

History of the Warrant Requirement

In the seminal 19th Century case, Supreme Court in *ex parte Jackson*, stated that in the enforcement of postal laws, “a distinction is to be made between different kinds of mail matter – between what is intended to be kept free from inspection, such as letters, and sealed packages subject to letter postage; and what is open to inspection, such as newspapers, magazines, pamphlets, and other printed matter, purposely left in a condition to be examined.”⁶⁴ The Court reasoned: “Letters and sealed packages of this kind in the mail are as fully guarded from examination and inspection, except as to their outward form and weight, as if they were retained by the parties forwarding them in their own domiciles. The

constitutional guaranty of the right of the people to be secure in their papers against unreasonable searches and seizures extends to their papers, thus closed against inspection, wherever they may be.”⁶⁵ Accordingly, the Court held that the government must obtain a warrant to search sealed mail.⁶⁶

In modern times, the Supreme Court has reaffirmed the central holding of *ex parte Jackson*. In *United States v. Van Leeuwen*, the court observed: “It has long been held that first-class mail such as letters and sealed packages subject to letter postage – as distinguished from newspapers, magazines, pamphlets, and other printed matter – is free from inspection by postal authorities, except in the manner provided by the Fourth Amendment.”⁶⁷ Thus, sealed mail is subject to the warrant requirement. The question, then, centers around which types of mail is considered sealed.

Congress has historically applied the protection of the seal only to letters. By statute, the Postal Service is required to “maintain one or more classes of mail for the transmission of letters sealed against inspection.”⁶⁸ The statute further mandates: “No letter of such a class of domestic origin shall be opened except under authority of a search warrant authorized by law.”⁶⁹ The text of this provision dates back to the Postal Reorganization Act of 1970.⁷⁰ Since the late nineteenth century, when Congress first enacted prohibitions on inspecting mail without a warrant, such statutory prohibitions have almost universally been limited to letters.⁷¹

62 See *Van Leeuwen*, 397 U.S. at 251; 39 C.F.R. § 233.3(g)(1); see also *Place*, 462 U.S. at 701; ASM 274.21.c, 274.61. Postal regulations do give certain postal employees the authority to detain and inspect some mail under certain conditions; however, this authority is limited to matters affecting postal operations and does not extend to law enforcement. Compare ASM § 274.21 with § 274.22, and § 274.31 with § 274.32. Another option for law enforcement is to use the Postal Service's abandonment regulations. As discussed below, however, this option is only available for suspected drug packages and has limited utility.

63 See, e.g., *U.S. v. Riley*, 554 F.2d 1282, 1283 (4th Cir. 1977); see also *Mailing Standards of the United States Postal Service, Domestic Mail Manual* §§ 153.2.2, 243.3.2.5. While the principle in the text applies broadly to law enforcement's search authority under the Constitution, postal employees may only open unsealed mail without a warrant to make a mailability or postage determination, or as expressly permitted by federal law. See ASM § 274.22.

64 *Ex parte Jackson*, 96 U.S. 727, 733 (1878).

65 *Id.*

66 See *id.* (“Whilst in the mail, [sealed mail] can only be opened and examined under like warrant, issued upon similar oath or affirmation, particularly describing the thing to be seized, as is required when papers are subjected to search in one's own household.”).

67 *U.S. v. Van Leeuwen*, 397 U.S. 249, 251 (1970).

68 39 U.S.C. § 404(c).

69 *Id.* (emphasis added). The statute contains an exception to the warrant requirement for “an officer or employee of the Postal Service for the sole purpose of determining an address at which the letter can be delivered, or pursuant to the authorization of the addressee.” *Id.*

70 Compare 39 U.S.C. § 404(c) (2006) with 39 U.S.C. § 3623(d) (1970).

71 See Anuj C. Desai, *Can the President Read Your Mail? A Legal Analysis*, 59 Cath. U. L. Rev. 315, Part II.B (2010). One notable exception is the 1960s version of the statute quoted above, which prohibited the warrantless opening of “any letter or parcel of the first class.” 39 U.S.C. § 4057 (1964). This statute was part of the 1960 recodification of the Postal Code. As a recodification of existing law, this legislation was expressly not intended to change or restate the law. See Desai at 342. Thus, given the prior history of statutes of this kind, which protected only letters, the inclusion of parcels in the protected class appears to have been a mistake by Congress, especially considering their exclusion from subsequent statutes. See *id.* at 342-43.

What accounts for the fact that courts have included sealed packages in the constitutional warrant requirement, while Congress has not applied the statutory seal to them? There is abundant case law holding that packages sent by means other than sealed mail are not entitled to Fourth Amendment protection.⁷² Even though packages, by their nature, hide their contents from view, that does not automatically give them Fourth Amendment protection. Rather, it is the classification of mail as sealed that gives it Fourth Amendment protection.⁷³ As one scholar has observed, “Fourth Amendment protections are ... deeply intertwined with those postal statutes and regulations that determine the senders’ and recipients’ expectations of privacy.”⁷⁴

Regulatory and Legislative Efforts to Combat Drug Trafficking Through the Mail

Recent Postal Regulations

In November 2015, the Postal Service amended its regulations to enhance postal law enforcement’s ability to detain and open suspected drug packages without a warrant.⁷⁵ The new regulations allow Postal Inspectors and OIG agents to detain a suspected drug package based on reasonable suspicion, under the theory that illegal drugs are non-mailable. Notice must be given to the sender and addressee that the package has been detained as non-mailable, and they must be given a reasonable opportunity to contest this determination. If not contested, the package is deemed abandoned and is subject to being opened and inspected. Because these regulations require reasonable suspicion to detain a suspected package,⁷⁶ and provide administrative due process for the sender and intended recipient, the regulations should withstand judicial scrutiny.⁷⁷

⁷² See *id.* at 360, note 258.

⁷³ See *id.* at 360.

⁷⁴ *Id.* at 360-61.

⁷⁵ See ASM §§ 274.21.f, 274.31.d; *Postal Operations Manual* (POM) § 691.584. The Inspection Service proposed the changes, which became effective November 12, 2015. The ASM and POM have the force of federal regulations under 39 C.F.R. § 211.2(a)(2).

⁷⁶ Federal courts have routinely upheld temporary seizures of sealed mail based on reasonable suspicion. See, e.g., *U.S. v. Allen*, 990 F.2d 667, 671 (1st Cir. 1993); *U.S. v. Alexander*, 540 F.3d 766, 768-69 (6th Cir. 2008); *U.S. v. Huerta*, 655 F.3d 806, 809-11 (8th Cir. 2011); *U.S. v. Lozano*, 623 F.3d 1055, 1060 (9th Cir. 2010); *U.S. v. Ramirez*, 342 F.3d 1210, 1212-13 (10th Cir. 2003); *U.S. v. Banks*, 3 F.3d 399, 402 (11th Cir. 1993).

⁷⁷ The Supreme Court has held that a warrant is not required to search abandoned property. See *Abel v. U.S.*, 362 U.S. 217, 241 (1960). Further, at least one federal appeals court has upheld the warrantless search of a sealed mail package that was deemed abandoned. See *U.S. v. Pitts*, 322 F.3d 449, 456-57 (7th Cir. 2003) (warrantless search of Express Mail package valid because sender used false return address and had no way to retrieve package, and addressee refused to accept delivery of package); see also *People v. Opheim*, No. D056183, 2011 WL 135800 (Cal. Ct. App. 4th Dist. Jan. 18, 2011) (warrantless search of Express Mail package upheld because sender’s and recipient’s names were false, sender’s address was false, sender had not provided contact telephone numbers, and residents at recipient address disavowed any knowledge of or interest in package).

⁷⁸ Congress could also make CBP’s authority to search inbound international mail upon reasonable suspicion, which currently is based principally on customs and postal regulations, an explicit statutory grant of authority. Cf. 19 U.S.C. § 1583 (authorizing customs searches of outbound international mail).

While these regulations provide a useful tool for postal law enforcement, this tool has limited utility. That is because the notice process – which alerts suspects that law enforcement is investigating them and eliminates the opportunity for controlled deliveries of suspect packages – makes this tool unworkable for many drug investigations.

Potential Legislation

Members of Congress have expressed interest in legislation to help law enforcement combat drug trafficking through the mail. One possible solution would be a combination of legislation and a public awareness campaign designed to reduce the public’s expectation of privacy in packages sent through the mail. For example, Congress could amend 39 U.S.C. § 404(c) by adding language clarifying that the warrant requirement applies only to sealed letters and does not apply to packages of any class. Further, Congress could expressly provide that the seal does not apply to packages, thereby authorizing any packages sent through the mail to be detained and inspected by law enforcement upon reasonable suspicion.⁷⁸ Essentially, Congress would be expressly removing packages from the classification of sealed mail. Further, Congress could direct the Postal Service to establish a nationwide program to put the public on notice of the changes, including public awareness messages and notices at post offices.

Ultimately, courts will need to decide the constitutionality of this issue. It may be argued that the language used by the Supreme Court in *ex parte Jackson* precludes any legislative or regulatory attempt to lessen Fourth Amendment protection for sealed mail.⁷⁹ However, it is the expectation of privacy that underlies the Supreme Court's jurisprudence in this area.⁸⁰ The classification of mail as sealed creates that expectation of privacy.⁸¹ By effectively removing packages from the sealed mail classification, and notifying the public that all packages sent through the mail are subject to inspection without a warrant, the actions outlined above should reduce the expectation of privacy to the point where warrantless searches of mail packages will be deemed constitutional.

79 See *Ex parte Jackson*, 96 U.S. at 733 (“No law of Congress can place in the hands of officials connected with the postal service any authority to invade the secrecy of letters and such sealed packages in the mail; and all regulations adopted as to mail matter of this kind must be in subordination to the great principle embodied in the fourth amendment of the Constitution.”).

80 See *Van Leeuwen*, 397 U.S. at 253 (“The significant Fourth Amendment interest [in this case] was in the privacy of this first-class mail.”); *Desai* at 360 (“Fourth Amendment protections are thus deeply intertwined with those postal statutes and regulations that determine the senders’ and recipients’ expectations of privacy.”); see also *Smith v. Maryland*, 442 U.S. 735, 739-41 (1979) (articulating the reasonable expectation of privacy test based on *Katz v. U.S.*, 389 U.S. 347 (1967) and its progeny).

81 See *Van Leeuwen*, 397 U.S. at 251 (“It has long been held that *first-class mail* such as letters and sealed packages subject to letter postage ... is free from inspection by postal authorities, except in the manner provided by the Fourth Amendment.” (emphasis added)); see also *Desai* at 360.

Appendix C: Management's Comments



GUY J. COTTRELL
CHIEF POSTAL INSPECTOR

UNITED STATES POSTAL INSPECTION SERVICE

September 14, 2018

MONIQUE COLTER
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Use of the Postal Network to Facilitate Illicit Drug Distribution (Report Number [SA-AR-18-DRAFT])

Postal Service management has reviewed the Office of Inspector General (OIG) report entitled "Use of Postal Service Network to Facilitate Illicit Drug Distribution." The Postal Service is firmly committed to combating the distribution of illicit drugs through the mail. To do so, we have pursued a systemic, proactive, and comprehensive cross-functional strategy regarding this issue, under the leadership of the Postmaster General and the members of the Executive Leadership Team. While the report does recognize that "the Postal Service has worked for decades to combat the use of its network to facilitate illicit drug distribution," its discussion of the Postal Service's current efforts is incomplete, and the report makes certain inaccurate assertions.

The Postal Service has an organization-wide commitment to combating the distribution of opioids through the mail. As the law enforcement, crime prevention and security arm of the Postal Service, the U.S. Postal Inspection Service (USPIS) naturally plays a central role in the Postal Service's efforts to prevent the flow of illicit drugs through the mail. In doing so, USPIS works closely with other Postal Service functions, including Operations and Human Resources. USPIS also works closely with other law enforcement agencies. USPIS maintains an aggressive and collaborative program to prevent and interdict drug parcels, both domestic and international, based on specific efforts that include:

- Creation of a team of subject matter experts working full time on the illicit opioid issue, regarding both international and domestic mail
- Assignment of personnel full-time to the Customs and Border Protection (CBP) National Targeting Center (NTC), Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, Office of National Drug Control Policy (ONDCP), and Drug Enforcement Administration's (DEA's) Special Operations Division (SOD) to share intelligence, coordinate cases, and conduct joint enforcement operations. At a local level, USPIS partners with High Intensity Drug Trafficking Area Task Forces to coordinate investigations and share real-time intelligence.
- Launch of a Cyber and Analytics Unit to enhance investigative techniques and better forecast and target international packages.

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- Deployment of personnel at all 5 International Service Centers (ISCs) and additional resources to be deployed to ISCs based on volume.
- Expanded presence on the Dark Web and coordination with other federal law enforcement to develop a standardized procedure for undercover buys on the Dark Web.
- Extensive international outreach and partnership building for intelligence and enforcement operations.
- Development of job aides to educate employees on safe handling of fentanyl and other dangerous narcotics.
- [REDACTED]

With respect to international mail, the receipt and use of Advance Electronic Data (AED) is a central strategy to combat the distribution of illicit drugs through the mail. Numerous functions within the Postal Service (including USPIS, Government Relations, International Postal Affairs, Global Business, Sales, Operations, and Chief Information Officer (CIO)) have collaborated to ensure that the Postal Service receives AED from foreign postal operators, transmits that AED to CBP, and captures mailpieces in postal operations that CBP targets for further inspection. The Postal Service's AED activities include the following:

- Management is aggressively pressing foreign postal operators to increase the amount of AED that they provide. The Postal Service leverages bilateral and multilateral meetings and negotiations, as well as resultant agreements, to continually drive foreign posts to increase the transmission of AED. In fact, the Postal Service requires AED as a condition of providing bilaterally negotiated package rates. On a regular basis, the Postmaster General also transmits correspondence to her counterparts at the highest-volume foreign posts to emphasize the importance of AED and tracks the posts' respective progress in providing AED. The Postal Service also assists the Department of State in increasing the receipt of AED through Universal Postal Union (UPU) processes.
- Management has developed specific, measureable goals for the receipt of AED, and has developed an AED dashboard that tracks a number of metrics relating to the receipt and use of AED, including AED by product/country/ISC, and hold data, including CBP hold requests, actionable holds, and successful holds by country/product/ISC.
- Operations has developed processes to ensure that CBP hold requests are actionable: the Postal Service now has the capability to capture pieces identified by CBP throughout postal operations, including on automated package sorting equipment at the ISCs and P&DCs that typically handle international volume, and at the delivery unit level.
- Monthly cross-functional meetings led by the Postmaster General are held to track progress and discuss initiatives regarding AED.

Therefore, the report is inaccurate when it states that the Postal Service lacks a “unified, comprehensive organization-wide strategy to combat the flow” of illegal drugs through the mail because the Postal Service’s efforts “begin[] and end[] within individual departments.” The report is also inaccurate when it claims that the Postal Service’s efforts have been “reactive.” Rather than pursuing a “department-based, not organization-wide” strategy as the report asserts, the Postal Service is in fact pursuing a collaborative, cross-functional, and proactive strategy, as detailed above. Moreover, this strategy is also showing significant results, in the form of increased drug interdictions, increased percentage of AED received from foreign postal operators, and an increased ability to effectuate CBP hold requests.

To be sure, there is more work to be done in combating the distribution of drugs through the mail, and the nature of the postal network means that vulnerabilities continue to exist. The Postal Service is working aggressively to address this issue, and will continue to do so. OIG also proposes some specific recommendations about additional steps that it believes the Postal Service should take. Two of the topics discussed by the OIG are well-taken, in that they regard matters that the Postal Service is in fact already undertaking as part of its ongoing efforts. Management also agrees with another recommendation. However, in other instances, management respectfully disagrees that the recommendations are appropriate or constitute initiatives that it makes sense for the Postal Service to pursue at this time. The specific recommendations are discussed below.

Recommendation 1:

We recommend the Chief Government Relations Officer work with Congress to develop legislative changes that would result in the Postal Inspection Service being authorized to open and inspect domestic packages suspected of containing illicit drugs.

Management Response:

Management disagrees with this recommendation, because we do not consider that actively pursuing such a legislative change with Congress is necessary at this time. Postal Inspectors across the country work with local U.S. Attorney’s offices on a routine basis to obtain search warrants to open those domestic parcels that are sealed against inspection where probable cause exists. In addition, and with respect to addressing the issue of illicit drugs coming into the United States from other countries, the Postal Service when requested already presents international parcels to CBP, which is authorized to open international parcels pursuant to its border search authority.

Recommendation 2:

We recommend the Chief Government Relations Officer work with relevant executive agencies such as the Department of Justice and Congress to develop legislative changes that would establish separate and enhanced criminal penalties for using the U.S. mail system to distribute illicit drugs.

Management Response:

Management disagrees with this recommendation. The Postal Service is focused on leveraging its competencies to curtail the use of the Postal Service network to facilitate illicit drug distribution. This recommendation addresses a matter of federal criminal sentencing policy. We believe that the decision whether to pursue any particular policy changes to the criminal code and criminal penalties is the province of other authorities, such as ONDCP within the Executive Office of the President, the Department of Justice, and the U.S. Sentencing Commission.

Recommendation 3:

We recommend the Postmaster General designate an officer to consolidate existing efforts and lead the implementation of a unified, comprehensive organizational strategy to combat the role of the postal network in facilitating illicit drug distribution.

Management Response/Action Plan:

Management disagrees with the recommendation to designate a single officer to oversee all efforts concerning this issue. As detailed above, combating the distribution of illicit drugs through the mail implicates multiple functions within the Postal Service, and management already has a comprehensive, cross-functional, and organization-wide strategy to combat the use of the postal network to distribute illicit drugs, coordinated and supervised at the Executive Leadership Team level. Of course, many of these efforts are the direct responsibility of the USPIS, and hence the Chief Postal Inspector, considering USPIS constitutes the law enforcement arm of the Postal Service. However, in performing its law enforcement work, USPIS works closely with other functions within the Postal Service. Moreover, the Postal Service has also integrated the pursuit of AED into its normal course of business, which involves the active participation of multiple functions.

That said, given the importance of this issue and in order to ensure that its strategy is well-understood by stakeholders, the Postal Service agrees to publish a document, similar to the ecommerce strategy published by CBP, discussing its comprehensive strategy for the benefit of stakeholders. The Postal Service will also incorporate a specific discussion of this issue in its next update of the 5-Year Strategic Plan.

Recommendation 4:

We recommend the Chief Postal Inspector enhance USPIS data analytics, including routine integration of the results of package inspections to further enrich its data model.

Management Response:

Management is already enhancing its data analytics. For years, the Inspection Service has been continually developing and deploying analytic tools for interdiction and investigations by field inspectors to better target suspected drug parcels and other illicit goods. The Inspection Service is currently implementing additional analytics programs to enable and support all of the Inspection Service's programs, including drugs in the mail. Hence, OIG's discussion about the importance of data analytics is well-taken, though management does not agree that there is a need for this specific recommendation given its ongoing efforts.

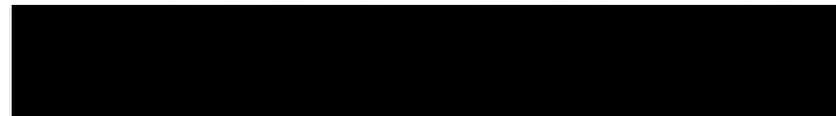
Recommendation 5:

We recommend the Chief Postal Inspector coordinate with the Postal Service Chief Operating Officer to establish a process to more efficiently divert packages suspected of containing illicit drugs to centralized inspection locations for evaluation in an isolated and secure site.

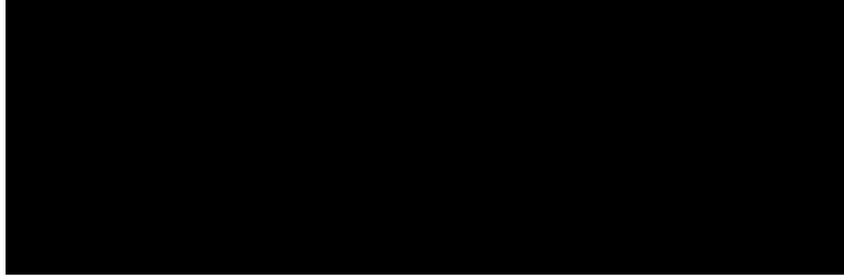
Management Response:

Management disagrees with this recommendation. USPIS works closely with Operations in its drug interdiction processes. In appropriate circumstances, for both inbound international and domestic mail, the USPIS has processes in place to temporarily detain and/or divert mail suspected of containing illicit drugs. In some circumstances, and when feasible, the mail may be diverted to a centralized location. However, it would be operationally unsound and unreasonable to divert all packages suspected of containing illicit drugs to a centralized location(s). The USPIS Field Divisions have ongoing relationships with the various United States Attorney Offices to obtain Federal Search Warrants. The recommendation also does not consider the various investigative techniques utilized in these types of investigations that are time sensitive and would be hindered by the use of a centralized approach.

Recommendation 6:



Management Response:



Recommendation 7:

We recommend the Vice President of Retail and Customer Service Operations institute a comprehensive Commercial Mail Receiving Agencies (CMRA) program to increase adherence to existing CMRA procedures and improve existing policies. Specifically, the program should be centralized and automated to ensure postal employees are following CMRA documentation requirements and conducting oversight of CMRAs.

Management Response/Action Plan:

Management agrees with this recommendation. The report asserts that management does not use a centralized means of oversight for CMRAs nor did it maintain a complete listing of CMRA locations. However, management has ready access to CMRA data stored in both the Address Management System (AMS) and in the Facilities Data Base (FDB) and can track site-specific information down to the local Post Office and individual CMRA level. Management also has measures in place to ensure all entries are most recent and accurate. Specifically, CMRA changes entered into the Address Management website are updated on a weekly basis with entries made visible on the website by the beginning of the following week. In addition, the FDB application requires all offices to review their facility information no less than once a year, according to MI-AS-872-1007-2.

While the Postal Service already has centralized resources that house CMRA oversight documents (FDB and AMS), Management agrees to develop a detailed timeline of actions to increase adherence to CMRA policies and procedures. Those actions will include: employee support materials, validation of existing CMRA data and a process for automated oversight.

In addition, and regarding the sample OIG conducted regarding mailpieces addressed to individuals who were not listed as current CMRA customers, the Postal Operations Manual states that in cases where mail pieces are addressed to former CMRA customers, "...the forwarding of mail intended for the addressee (customer) is the responsibility of the CMRA." The OIG therefore should note that its sample does not validate a failure to follow proper oversight procedures.

Target Implementation Date:

12/31/2018

Responsible Official:

Vice President, Delivery Operations



Guy Cottrell
Chief Postal Inspector

cc:

Manager, Corporate Audit Response Management



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