



**OFFICE OF
INSPECTOR GENERAL**
UNITED STATES POSTAL SERVICE

AUDIT REPORT

Postal Inspection Service Mail Covers Program

May 28, 2014



Report Number HR-AR-14-001



May 28, 2014

Postal Inspection Service Mail Covers Program
Report Number HR-AR-14-001

BACKGROUND:

In fiscal year 2013, the U.S. Postal Inspection Service processed about 49,000 mail covers. A mail cover is an investigative tool used to record data appearing on the outside of a mailpiece. Law enforcement agencies use this information to protect national security; locate fugitives; obtain evidence; or help identify property, proceeds, or assets forfeitable under criminal law.

A mail cover is justified when it will further an investigation or provide evidence of a crime. The U.S. Postal Service is responsible for recording and forwarding the data to the Postal Inspection Service for further processing. Postal Service and law enforcement officials must ensure compliance with privacy policies to protect the privacy of customers, employees, and other individuals' information.

Our objective was to determine whether the Postal Service and Postal Inspection Service are effectively and efficiently handling mail covers according to Postal Service and federal requirements.

WHAT THE OIG FOUND:

Opportunities exist to improve controls over the mail covers program. For example, responsible personnel did not always handle and process mail cover requests in a timely manner and documents relating to the covers were not always returned to the program files as required. Of the 196 external mail cover requests we reviewed, 21 percent

were approved without written authorization and 13 percent were not adequately justified or reasonable grounds were not transcribed accurately. Also, 15 percent of the inspectors who conducted [REDACTED] [REDACTED] mail covers did not have the required nondisclosure form on file.

Further, the Postal Inspection Service provided evidence for only one periodic review of the mail covers program over the past 3 fiscal years and did not have procedures to ensure annual reviews were performed as required. Finally, the mail cover computer application did not always provide accurate and reliable information because system controls did not ensure completeness, accuracy, and consistency of data. For example, we found 928 mail covers in active status after the cover periods ended.

Insufficient controls could hinder the Postal Inspection Service's ability to conduct effective investigations, lead to public concerns over privacy of mail, and harm the Postal Service's brand.

WHAT THE OIG RECOMMENDED:

We recommended management improve controls to ensure responsible personnel process mail covers in a timely manner and conduct periodic reviews of the mail covers program. Also, we recommended management implement system controls to ensure data integrity in the Postal Inspection Service mail cover application.

[Link to review the entire report](#)

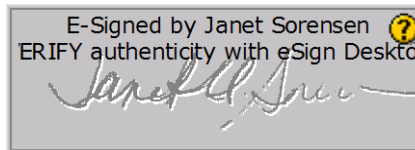


May 28, 2014

MEMORANDUM FOR: GUY J. COTTRELL
CHIEF POSTAL INSPECTOR

EDWARD F. PHELAN, JR.
VICE PRESIDENT, DELIVERY AND POST OFFICE
OPERATIONS

JOHN T. EDGAR
VICE PRESIDENT, INFORMATION TECHNOLOGY



FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Revenue and Business

SUBJECT: Audit Report – Postal Inspection Service Mail Covers
Program (Report Number HR-AR-14-001)

This report presents the results of our audit of the U.S. Postal Inspection Service's Mail Covers Program (Project Number 13YG035HR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Andrea L. Deadwyler, deputy director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of the U.S. Postal Inspection Service Mail Covers Program (Project Number 13YG035HR000). The objective of this self-initiated audit was to determine whether the U.S. Postal Service and the Postal Inspection Service are effectively and efficiently handling mail covers according to postal and federal requirements.¹ Specifically, we assessed controls over the processing of mail covers.

In fiscal year (FY) 2013, the Postal Inspection Service reviewed and processed about 49,000² mail covers. A mail cover is an investigative tool used to record data appearing on the outside of a mailpiece. Agencies must demonstrate a reasonable basis for requesting mail covers, send hard copies of their request forms to the Criminal Investigative Service Center (CISC)³ for processing, and treat mail covers as restricted and confidential. A mail cover should not be used as a routine investigative tool. The requesting law enforcement agency must explain what law the subject of the mail cover is violating and how the mail cover could further the investigation or provide evidence of a crime. Mail covers are granted only when written requests to the Postal Inspection Service meet all requirements.

The CISC reviews each request to ensure it contains enough information to stand alone as full justification for the cover and fully complies with all applicable regulations. CISC personnel manually enter the information from the hard copy request form into the Inspection Service Integrated Information System's⁴ (ISIIS) electronic mail cover application. Responsible officials review each request to ensure the mail cover is completely justified and the request fully complies with all regulations. Once the CISC approves the request, it forwards the request to the Postal Service to obtain the mail cover data. The Postal Service is responsible for copying or recording the information from the outside of the mailpiece and forwarding that information to the Postal Inspection Service for further processing. The Postal Inspection Service must maintain close control over and supervision of the mail cover. See [Appendix A](#) for additional information about this audit.

Conclusion

Opportunities exist to improve controls over the mail covers program. For example, responsible personnel did not always handle and process mail cover requests in a

¹ Title 39 *Code of Federal Regulations* § 233.3.

² Postal Inspection Service and external law enforcement officials requested 41,760 and 6,391 criminal mail covers, respectively. In addition, about 1,000 ██████████ were processed by Postal Inspection Service Headquarters. We did not analyze about 34,000 system-generated approved requests that did not require CISC review. Our review focused on potential processing errors. Because these requests require no processing by CISC, they pose less risk of errors.

³ CISC is the primary administrator of the mail covers program with a national geographical area of responsibility.

⁴ ISIIS is the official Postal Inspection Service data warehouse.

timely manner and accountable documents, such as mail sender and addressee information obtained during the mail cover period, were not always returned. Of the 196 external criminal mail cover requests we reviewed, 21 percent were approved without written authority and 13 percent were not adequately justified or reasonable grounds were not transcribed accurately. Also, 15 percent of the inspectors who conducted [REDACTED] did not have the required nondisclosure form on file. Further, the Postal Inspection Service provided evidence of only one review of the mail covers program over the past 3 fiscal years and did not have procedures to ensure annual reviews were performed as required. Finally, the ISIS mail cover application did not always provide accurate and reliable information because system controls were not sufficient to ensure completeness, accuracy, and consistency of mail cover data. For example, we found 928 mail covers in active status even though their cover periods had ended.

Insufficient controls over the mail covers program could hinder the Postal Inspection Service's ability to conduct effective investigations, lead to public concerns over privacy of mail, and harm the Postal Service's brand.

Mail Cover Requests

Responsible personnel did not always follow Postal Service requirements when handling mail cover requests.

Criminal Mail Covers

We reviewed a statistical sample of 196 of 6,391 external law enforcement mail cover requests⁵ and projected the results nationwide. See [Appendix B](#) for additional information regarding our nationwide projection. In our statistical sample, we found:

- Of 196 requests, 41 (21 percent) were approved by individuals without written authority. According to policy,⁶ only the chief postal inspector, CISC manager, and their designees are authorized to order mail covers.
- Of 196 requests, 25 (13 percent) were not adequately justified or reasonable grounds for them were not transcribed accurately⁷ into the ISIS mail cover application from the original requests. According to the ISM, reasonable grounds, which demonstrate the basis for the request must contain the following:
 - Information on what the subject is doing to violate the statute and an explanation of how the mail cover could further the investigation or provide evidence of a crime.

⁵ The sample did not include internally generated criminal mail covers initiated by postal inspectors.

⁶ *Inspection Service Manual (ISM)* Section 6-6.1.3, dated January 2012.

⁷ External agencies send hard copy forms to CISC for processing. Specialists manually enter the information into the mail cover application.

- Statement of the purpose of the mail cover and how the mail cover will provide evidence of a crime or assist in the investigation.

Additionally, when an investigation requires a mail cover addressed to “all names at address,” the justification must include the following:

- The necessity for recording all mail intended for delivery at the particular address.
 - Verification that the subject of the mail cover resides and receives mail at the address.
 - Verification that mail received for delivery at the address is intended for the subject of the mail cover.
- Of 196 requests the CISC received, 53 (27 percent) were not entered into the ISIS mail cover application within 7 calendar days as required by Postal Inspection Service standard operating procedures (SOP).⁸
 - Of 196 accountable documents for mail covers, 120 (61 percent) were not returned on time and maintained at the CISC. Postal Inspection Service *Publication 55 Mail Cover Requests* requires law enforcement agencies to return all accountable documents to the CISC within 60 days after the termination of the mail cover.

These deficiencies occurred because Postal Service officials did not have adequate controls in place to ensure mail cover requests or accountable documents for mail covers were handled properly.

████████████████████ Case Files

████████ case files did not always contain the required information.⁹ During FYs 2011 to 2013, the Postal Inspection Service processed about 800 ██████████. We randomly selected and reviewed 60 (8 percent) case files and found:

- Nineteen of 60 (32 percent) case files did not include the dates inspectors visited the postal facilities where the mail cover was processed. *Postal Inspection Service ██████████ Program SOP*¹⁰ requires inspectors to maintain a log of site visits and conditions they observed.
- Six of 60 (10 percent) case files did not have the dates of the mail period coverage or mail counts. The *Postal Inspection Service ██████████ Program SOP* requires postal inspectors to record this information.

⁸ The SOP was prepared by CISC personnel who followed the procedures; however, the Postal Inspection Service has not formally adopted the SOP.

⁹ ██████████ involve investigations for the protection of ██████████.

¹⁰ SOP was prepared by Postal Inspection Service Headquarters personnel for handling and processing ██████████ requests.

- Of the 39¹¹ inspectors associated with the [REDACTED] we reviewed, six (15 percent) did not have the required nondisclosure form on file. Postal officials are required to complete nondisclosure agreements to gain access to [REDACTED] and maintain a record of the agreement for 50 years.¹²
- Nineteen of 60 (32 percent) case files were not returned to the Postal Inspection Service Office of Counsel within 60 days after the end of the mail cover period. The *Postal Inspection [REDACTED] Cover Program SOP* requires inspectors to return accountable documents, case notes, and case closing reports within 30 days of the last mail cover closing period.

These deficiencies occurred because Postal Inspection Service officials did not have sufficient controls in place to ensure personnel followed policy when processing [REDACTED] and to ensure case files contained the required information.

During our audit, officials began training postal inspectors on handling [REDACTED] and completing the required nondisclosure agreement.

Processing Mail Covers at Post Offices

Post Office personnel did not always process mail cover requests in a timely manner. We reviewed 14 mail covers at seven postal facilities CISC identified as being tardy in processing mail covers. We confirmed that none of the 14 mail covers were processed on time because officials did not have sufficient controls in place to ensure facility personnel processed mail covers as required. Of the 14 mail covers we reviewed, six were reissued¹³ about 3 months after the initial request and the remaining eight were not reissued.¹⁴ For example, at the [REDACTED] officials could not locate the original mail cover request and a new mail cover was reissued about 3 months later.

Officials at the seven postal facilities identified various reasons for the delays, but the primary reasons were their focus on mail processing and employee turnover. See [Table 1](#) for a summary of the various reasons provided by postal officials for mail cover delays.

¹¹ Inspectors are often assigned multiple mail cover cases.

¹² [REDACTED]

¹³ A mail cover is generally reissued at the request of a law enforcement agent when the Postal Service has not responded to the original mail cover request.

¹⁴ CISC officials identified 18 facilities that did not process mail covers timely. We reviewed seven of the 18 facilities.

Table 1. Summary of Reasons for Mail Cover Delays

Facility	Focus on Mail Processing	Employee ¹⁵ Turnover	Limited Staff Resources	Insufficient Training	Number of Mail Covers Reviewed
[REDACTED]	X	X			6
[REDACTED]	X				2
[REDACTED]		X		X	1
[REDACTED]			X		1
[REDACTED]	X				1
[REDACTED]	X	X			2
[REDACTED]		X		X	1

Source: U.S. Postal Service Office of Inspector General (OIG) analysis.

¹⁵ When personnel changes occurred, mail cover requirements were not always conveyed to the replacement employees.

Program Reviews

Responsible officials did not periodically review the criminal and ██████ programs as required. The Postal Inspection Service provided evidence for only one program review over the past 3 fiscal years and did not have procedures to ensure annual reviews were performed. Postal Inspection Service and federal policy¹⁶ require periodic reviews of the criminal and ██████ programs to ensure compliance with regulations and procedures, including annual compliance self-assessments (CSA). CSAs contain general questions regarding security of mail cover information and handling of interdiction mail covers.¹⁷ CSAs allow officials to comment and suggest program improvements. Periodic reviews of the mail covers program help improve its quality and effectiveness.

Mail Cover Application

The SIIS mail cover application did not always provide accurate and reliable information. We found 928¹⁸ instances where the cover period ended but the application continued to indicate the cover was in active status.¹⁹ Attempts to extend a mail cover past its original end date resulted in an error message being displayed in the SIIS, indicating the mail cover had already been extended. Further, an error in the SIIS mail cover application sometimes allowed the same mail cover tracking number to be assigned to different mail cover requests. This occurred because management did not ensure system control features, such as integrity checks, were operating as designed. Integrity checks should ensure completeness, accuracy, and consistency of mail cover data.

Inadequate controls over the mail covers program could hinder the Postal Inspection Service's ability to conduct effective investigations, lead to public concern over mail privacy, and harm the Postal Service's brand. When mail cover data is inaccurate, management might not have the reliable information they need to effectively manage the program and ensure program compliance.

Recommendations

We recommend the chief postal inspector:

1. Improve controls to ensure responsible Postal Inspection Service personnel process mail covers as required.

¹⁶ *Postal Inspection Service Manual*, dated January 2012.

¹⁷ Interdiction mail covers are designed for an investigation involving a large volume of mail and that focuses on a specific postal operation, as opposed to a specific sender or address.

¹⁸ About 24,000 law enforcement mail cover requests were processed in FYs 2011 to 2013.

¹⁹ The application was designed to automatically change the mail cover status 60 days from the end of the mail cover period.

2. Establish procedures to ensure periodic reviews of criminal and ██████ mail covers are conducted as required.

We recommend the vice president, Delivery and Post Office Operations, in coordination with the chief postal inspector:

3. Improve controls to ensure Postal Service facility personnel process mail covers in a timely manner.

We recommend the chief postal inspector, in coordination with the vice president, Information Technology:

4. Implement system controls to ensure data integrity in the Postal Inspection Service mail cover application.

Management's Comments

Management agreed with the findings and recommendations in the report.

Regarding recommendation 1, management stated they have established controls to provide mail cover training to all inspectors and restrict approval authority. They are developing performance measures to ensure timely processing of mail cover requests. Management is also developing controls to address the issue of outside agencies not returning accountable documents. Management stated that they will review and revise all SOPs and adopt them as practice. The target implementation date is September 30, 2014.

Regarding recommendation 2, management stated they will establish procedures to ensure they conduct periodic reviews, including CSAs, for both criminal and ██████ mail covers. The target implementation date is September 30, 2014.

For recommendation 3, management stated that Post Office Operations personnel put activities regarding outstanding mail cover requests in the Delivery Unit Required Activities Tracking database. Post Office Operations will provide Postal Inspection Service personnel with access to the database, which will allow them to input activities directly. Management also plans to implement new procedures to notify the local office when a mail cover has been issued for the site. The target implementation date is May 30, 2014.

Regarding recommendation 4, management will ensure data integrity by reviewing and modifying existing scripts and routines and verifying that automated processes are functioning properly. The target implementation is June 30, 2015.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report.

The OIG considers all the recommendations significant, and therefore requires OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These 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.

Appendix A: Additional Information

Background

In FY 2013, the Postal Inspection Service processed about 49,000 mail covers. A mail cover is an investigative tool the Postal Inspection Service uses to record data appearing on the outside of a mailpiece. Agencies must demonstrate reasonable grounds for mail cover requests. The chief postal inspector is in charge of all aspects of the mail cover process. The Postal Inspection Service must closely control and supervise mail covers according to applicable federal laws and regulations. In FY 2013, the [REDACTED] were the top two federal agencies requesting mail covers and the [REDACTED] Police Department was the top local agency. See [Appendix C](#) for federal, state, and local mail cover requests.

The CISC is the primary administrator of the mail covers program. The CISC must ensure all federal and Postal Service requirements are met before approving a mail cover request. The Postal Service Office of General Counsel handles and processes [REDACTED] requests. Requesting law enforcement agencies must treat mail covers as restricted and confidential information. They must demonstrate reasonable grounds for requesting and using the mail cover. The requesting law enforcement agency must explain what law the subject of the mail cover is violating and how the mail cover could further the investigation or provide evidence of a crime. Mail covers are authorized only when all requirements are met in a written request to the Postal Inspection Service. The CISC reviews each request to ensure it contains enough information to stand alone as full justification for the cover and fully complies with all regulation requirements. See [Appendix D](#) for a flowchart of the mail cover process from initial request to file closure.

Objective, Scope, and Methodology

Our objective was to determine whether the Postal Service and Postal Inspection Service are effectively and efficiently handling mail covers according to Postal Service and federal requirements.

The scope of the audit included fieldwork at Postal Inspection Service Headquarters and the CISC. We also conducted fieldwork at Postal Service facilities identified by CISC personnel as having delayed mail cover processing. We analyzed the ISIIS mail cover application to assess the accuracy and validity of the data and reports. We assessed procedures for processing, administering, and safeguarding criminal and [REDACTED] information. We excluded mail covers the Postal Inspection Service requested because they were directly entered into the mail cover application by the inspectors and there is less risk of processing errors by CISC personnel. We reviewed applicable mail cover policies and procedures, including federal requirements and training records.

We conducted this performance audit from September 2013 through May 2014 in accordance with generally accepted government auditing standards and included such

tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on April 21, 2014, and included their comments where appropriate.

We assessed the reliability of mail cover records by reviewing existing information about the data and the system that produced them, and interviewed agency officials knowledgeable about the data. We identified some errors and irregularities within the mail cover application. We performed additional procedures to obtain confidence in the reliability of data used. Based on the results, we concluded that the data were sufficiently reliable for the purposes of this review.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit in the past 3 years.

Appendix B: Mail Cover Deficiency Projections

Responsible personnel did not always handle mail covers according to Postal Service requirements. We analyzed 196 randomly selected external law enforcement agency criminal mail cover requests and identified compliance deficiencies related to each.

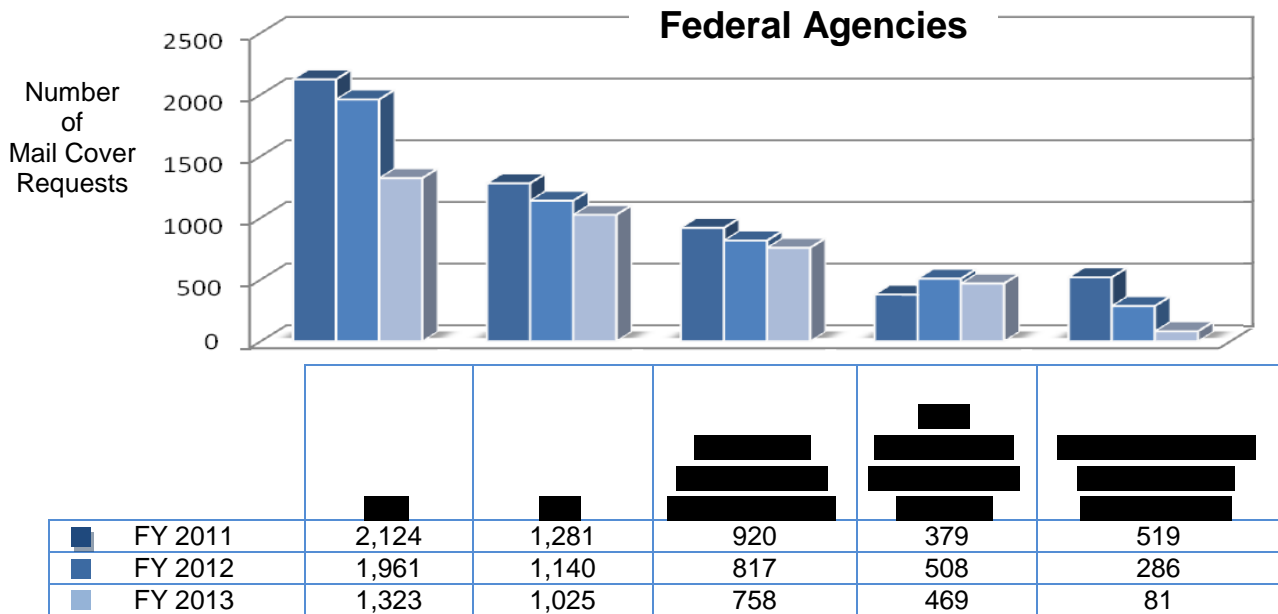
To determine nationwide projections of these deficiencies, we:

- Identified compliance deficiencies at the CISC in processing criminal mail covers.
- Verified deficiencies through discussions with the CISC manager.
- Projected each type of deficiency based on a universe of 6,391 mail covers and used a 95 percent confidence interval with no more than 7 percent precision.

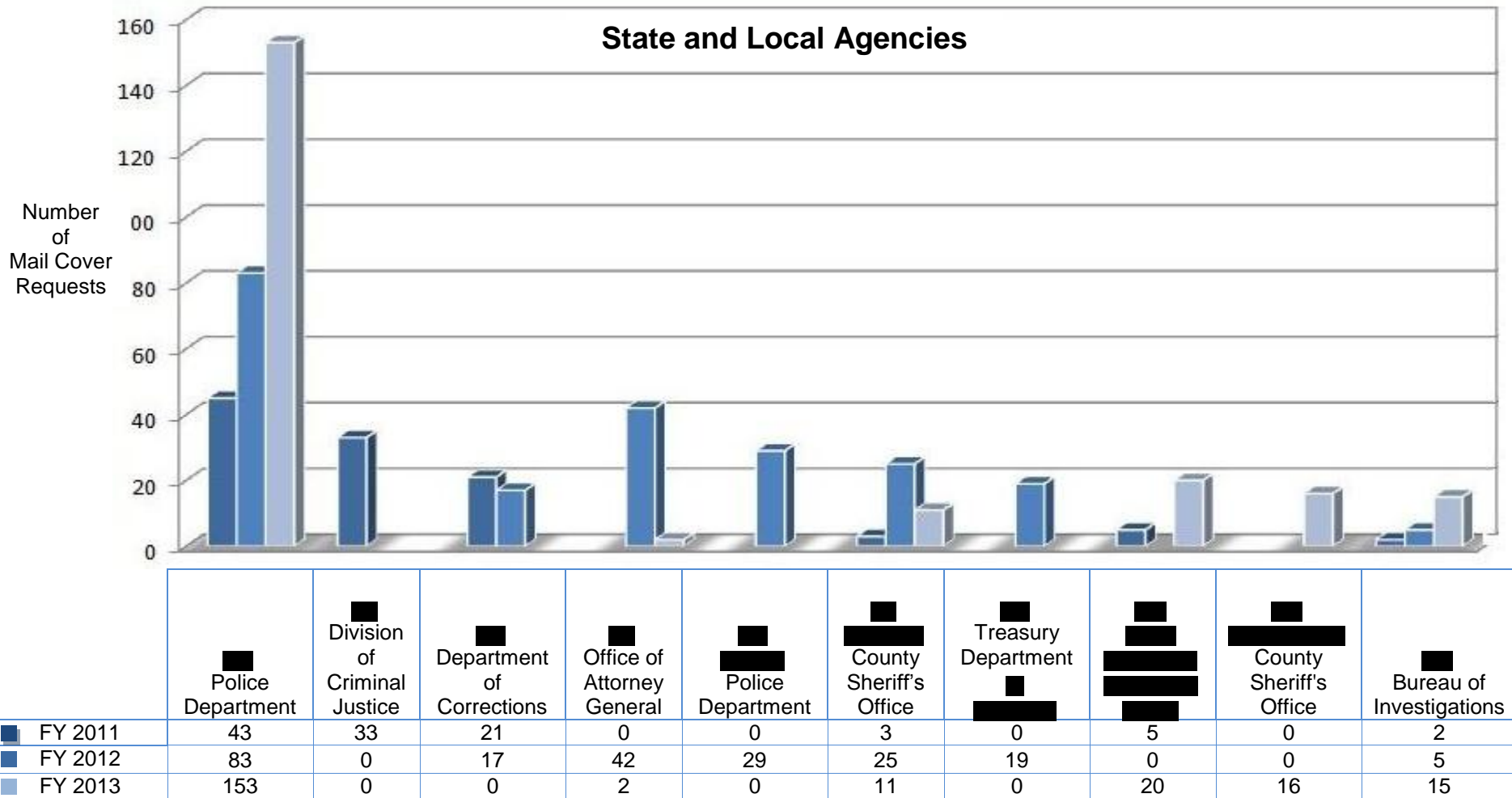
Based on our analysis, we project mail cover deficiencies nationwide as follows:

- Twenty-one percent of mail covers were approved by individuals without written authority.
- Thirteen percent of mail covers did not have the required justification or were not transcribed accurately.
- Twenty-seven percent of mail cover requests the CISC received were not entered into the ISIIS mail cover application within 7 calendar days as required.
- Sixty-one percent of accountable documents for mail covers were not returned on time and maintained at the CISC as required.

Appendix C: Federal, State, and Local Mail Cover Requests

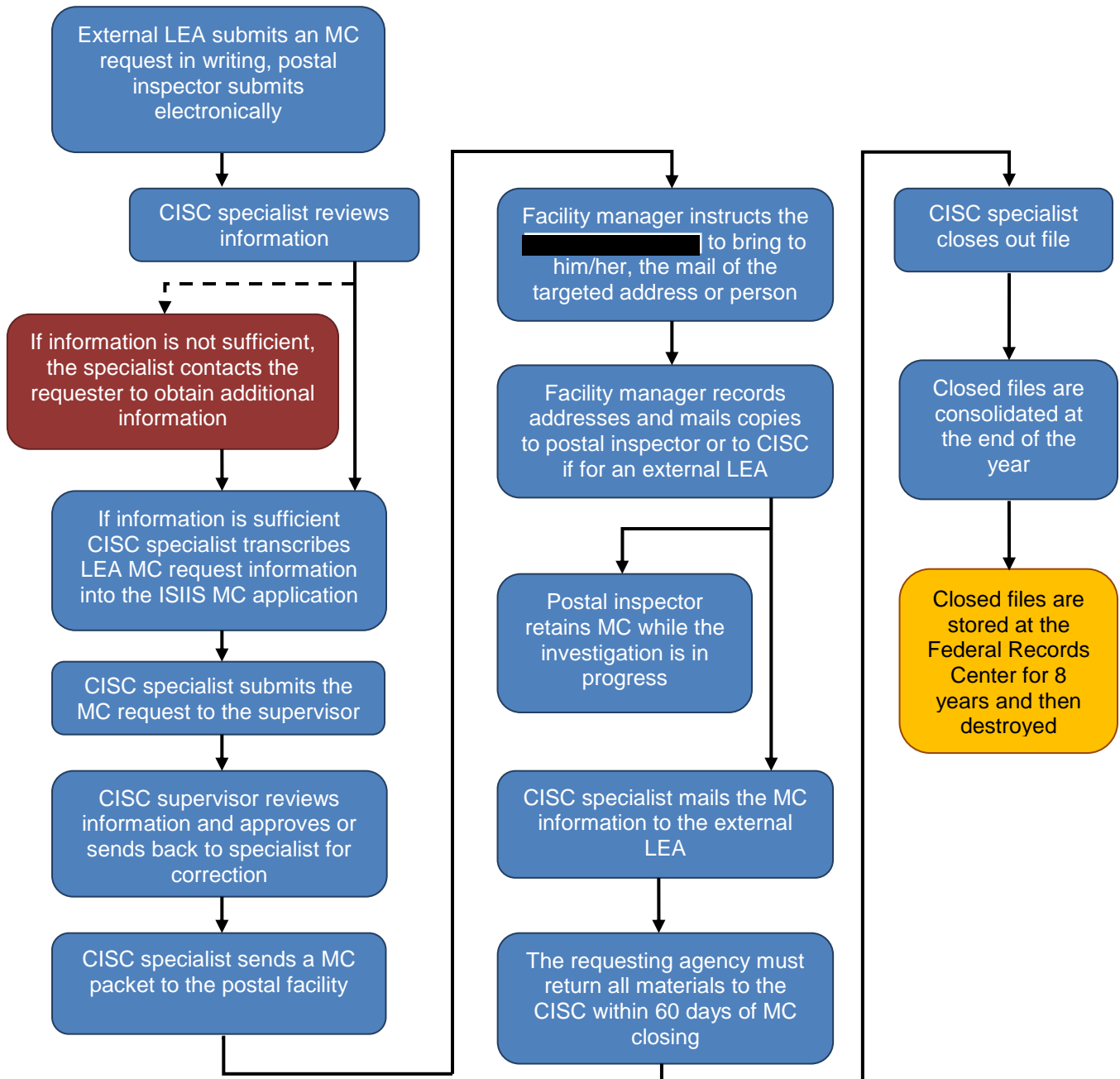


Source: Postal Inspection Service CISC.



Source: Postal Inspection Service CISC.

Appendix D: Mail Cover Process



LEA - Law enforcement agency.
 MC - Mail cover.

Source: OIG analysis.

Appendix E: Management's Comments



May 14, 2014

JUDITH LEONHARDT
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Postal Inspection Service Mail Covers Program Report Number HR-AR-14-DRAFT

The Chief Postal Inspector, in consultation with the vice president, Delivery and Post Office Operations, and the vice president, Information Technology, agrees with the general findings of the Draft Audit Report.

Recommendation 1:

Improve controls to ensure responsible Postal Inspection Service personnel process mail covers as required.

Management Response/Action Plan:

Management agrees with this recommendation.

Controls have been established to ensure all Inspectors are trained in the handling of [REDACTED] and that the required documentation is maintained on file. All new Inspectors currently receive training in the Basic Inspector Training program.

Since July 12, 2013, controls have been in place to restrict approval of mail cover requests. The Criminal Investigations Service Center (CISC) Manager (A) delegated the authority to approve mail covers to two CISC employees and mail covers have only been approved by individuals with the delegated written authority since then.

Performance measures and weekly reporting have been put in place to record receipt of outside agency criminal mail cover requests and to ensure timely processing.

Controls are being developed to address the non-return of accountable documents by outside agencies. Pending enhancements to the Mail Covers program will allow for timely identification of non-compliant agencies and associated follow up. Additionally, the CISC is piloting use of the USPS My PO application to notify delinquent post offices to return accountable materials.

All standard operating procedures will be reviewed, revised, and adopted as practice.

Target Implementation Date:

September 30, 2014

Responsible Official: Inspector in Charge, Criminal Investigations Group; Inspector in Charge, Office of Counsel

Recommendation 2:

Establish procedures to ensure periodic reviews of criminal and [REDACTED] mail covers are conducted as required.

Management Response/Action Plan: Management agrees with this recommendation.

Procedures will be established to ensure periodic reviews, including compliance self-assessments, of both criminal and [REDACTED] mail covers.

Target Implementation Date:

September 30, 2014

Responsible Official: Inspector in Charge, Criminal Investigations Group; Inspector in Charge, Office of Counsel

Recommendation 3:

Improve controls to ensure Postal Service facility personnel process mail covers in a timely manner.

Management Response/Action Plan:

Management agrees with this recommendation.

Currently, PO Operations personnel posts DURAT activities for out-standing mail cover requests at the request of the Inspection Service. Post Office Operations will work with the Inspection Service to provide access to DURAT to allow the Inspection Service to input activities directly. For long term resolution, recommend that a new task be implemented in MyPO which would notify the local office when a mail cover has been issued for the site. The Local user would be required to access and complete the task. This will provide a timely notification of the mail cover order and provide tracking and reporting capabilities on the completion of these required activities.

Target Implementation Date:

Access to enable posting of DURAT be provided to UPS IS by May 30, 2014. Development of new MyPO task, TBD.

Responsible Official:

Manager, Post Office Operations will coordinate MyPO development.

Recommendation 4:

Implement system controls to ensure data integrity in the Postal Inspection Service mail cover system.

Management Response/Action Plan:

Management agrees with this recommendation.

We will ensure data integrity by reviewing and modifying existing scripts and routines and verifying that automated processes are functioning (such as status updates and automated notification are timely and accurate).

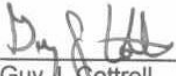
Target Implementation Date:

June 30, 2015

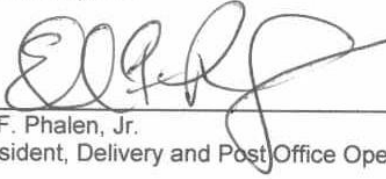
Responsible Official:

Manager, Solutions Development and Support, Information Technology

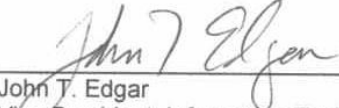
Management requests that the OIG consider a complete FOIA exemption for this report and response due to the sensitive law enforcement nature of the subject matter of the audit as well as the disclosure of investigative techniques and related information which could compromise ongoing criminal investigations conducted by the Inspection Service, the OIG, as well as other local and Federal law enforcement agencies.



Guy J. Gottrell
Chief Postal Inspector



Edward F. Phalen, Jr.
Vice President, Delivery and Post Office Operations



5/14/2014

John T. Edgar
Vice President, Information Technology

cc: *Manager, Corporate Audit Response Management*