
**Hearing before the
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate**



Written Statement

**Combating the Opioid Crisis: Exploiting Vulnerabilities in
International Mail**

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Good morning, Chairman Portman, Ranking Member Carper, and members of the subcommittee. Thank you for inviting me to discuss our work to improve international mail security and keep illicit drugs out of the mail.

First, let me describe our recent audit work on inbound international mail operations and security. We have issued eight reports in this area since September 2015. Much of our work has focused on the Postal Service's procedures for presenting mail for inspection to U.S. Customs and Border Protection (CBP). We examined operations at the International Service Centers (ISCs), the main entry points for international mail, as well as at smaller exchange offices. We also evaluated the Postal Service's pilot with CBP, which uses the available advance electronic data provided by foreign posts to better target parcels for inspection. In addition, we conducted related work on delayed inbound international mail and the Postal Service's processes for handling nonmailable inbound shipments such as cigarettes.

We found problems in several areas. For example, at ISCs, the Postal Service sometimes failed to present items to CBP for inspection when requested and instead processed the parcels directly into the mailstream. In addition, inaccurate scan data into and out of customs meant that the Postal Service could not always determine whether a parcel was in CBP's custody or its own. These failures occurred for several reasons including human error and electronic system problems. Another factor was that the Postal Service and CBP did not have a formal written agreement regarding the appropriate procedures. They have since established a national Memorandum of Understanding. Our audit work also found instances in the past where the Postal Service had not requested advance electronic data as part of its bilateral agreements with foreign posts.

In all, we have issued 21 recommendations to the Postal Service covering areas such as enhancing systems and processes, providing better employee training and oversight, and improving coordination with CBP, other agencies, and foreign

posts. The Postal Service agreed with 18 of the recommendations and has already addressed 12. The remaining six open recommendations are primarily related to improving data and operational systems and coordinating with federal agencies and foreign posts. The Postal Service expects to complete these recommendations in 2018. We also have two ongoing audit projects focused on advance electronic data and opioid safety preparedness at the Postal Service.

In addition to this audit activity, we are building our data analytics capacity to find and prevent drug trafficking in the mail. For years, law enforcement has used data to find criminals and expose their networks. Early efforts focused on financial crime, due to its complexity and the large datasets available. And just as criminals misused financial institutions to commit fraud, today's drug traffickers are misusing trusted distribution networks like the U.S. mail to anonymously exchange money and deliver illegal drugs.

The Postal Service faces a number of challenges that private companies do not when dealing with illicit narcotics in the mail. For instance, the Postal Service is obligated to deliver international parcels even though it did not originally receive them from the customer. The Postal Service receives limited electronic data about many of these parcels, and the information it does receive is often incomplete or inaccurate. In addition, the sheer volume of inbound parcels the Postal Service handles far exceeds what other shippers manage. Finally, unlike private shippers, the law requires the Postal Service to obtain a warrant to inspect the contents of suspect parcels. The sanctity and privacy of the mail and its contents is a strong principle valued by the American public, but this principle is being exploited by criminals.

As ecommerce continues to expand dramatically, rapid growth of both domestic and international mail parcels is also occurring. The Postal Service must rely heavily on automation and electronic data to deliver more than 5 billion parcels a year to 157 million delivery points. That's more than 14 million parcels a day, and

it's easy for illegal drug parcels to hide in all of that traffic. However, the data that the Postal Service uses to manage its network can also be used to sniff out suspicious parcels, and that is exactly what we have started to do using analytics.

This past September, our Acting Inspector General testified about some of our work in this area before the House Committee on Oversight and Government Reform. She described a case involving an international parcel containing fentanyl seized by CBP personnel in New York. The investigation ultimately uncovered a postal employee who was facilitating the delivery of illicit narcotics in Florida. Our analytics work on the seized fentanyl parcel identified nearly 2,800 additional suspicious parcels that had been sent through the mail. Since that time, we have assisted other federal investigations involving reshipping schemes and illicit international narcotics parcels. We identified a number of additional reshippers who were previously unknown to law enforcement and who were responsible for thousands of suspicious shipments.

While supporting specific cases is useful, we are also dedicating resources to build tools to address narcotics issues more broadly. We recently completed the development of a tool to identify postal employees who may be stealing drug parcels from the mail or facilitating the delivery of illicit narcotics parcels to criminal groups. Unlike legitimate customers who will tell us when their parcels do not arrive, we have yet to receive our first complaint from a drug dealer that their parcel was missing. Historically, we have had to rely on tips or cooperating defendants to provide us with information about postal employees who were assisting drug traffickers. Now, we are analyzing Postal Service data and looking for various indicators to help us focus on employees or routes where suspicious parcels are disappearing. Our initial use of this analytics tool has been very encouraging, and it may revolutionize the way we tackle these kinds of crimes. While this tool searches for criminal activity that happened in the past, we think looking forward in the data can have an even greater impact.

We are also currently building a tool to identify inbound international parcels that are suspicious but have not yet arrived in the United States. Our hope is that we can share the insights gained from this tool with CBP to better assist efforts to identify parcels for inspection and reduce the number of narcotics parcels that enter the mail stream. We have shared some initial parcel information to test the accuracy of our model, and the results appear very promising.

Combatting the shipment of illegal drugs is not a problem any one agency can solve by itself. Cross-agency collaboration and data sharing is critical. Ultimately, we need to identify and intercept these parcels before they are delivered, rather than continuing to focus on investigating after the fact. One part of the solution is using data effectively to uncover problems, but that is only half the battle.

Resources to address the problems are also needed. For example, our tool to identify collusive employees identified hundreds of suspicious postal routes. Our agency is not staffed to address all of these investigations immediately, and the situation is only going to get worse as our budget gets smaller. This issue is not unique to our organization, but it highlights the need to strategically invest in the tools and people to combat this problem, since data alone is not enough.

To conclude, we believe data analytics provides an excellent opportunity to better investigate drug trafficking through the mail, but there are also a number of challenges ahead:

- More resources are needed to capitalize on data analytics techniques, including more data experts and tools to generate leads and more assistance from law enforcement to follow them up.
- Improving the data available for inbound international parcels is important. Although the amount of international advance electronic data is growing, it is not yet available for all inbound parcels.
- Legal barriers to opening parcels prevent the Postal Service from proactively ensuring the safety of the mail and may hinder investigations

given the volume of suspect parcels. Additionally, specific enhanced criminal penalties for shipping drugs through the mail may be needed to create a stronger deterrent to drug trafficking.

- Finally, and most importantly, the successful use of analytics requires moving beyond traditional case-by-case, parcel-by-parcel investigative practices and instituting a high-level strategic, collaborative approach to stop drug trafficking through the mail.

If these challenges can be solved, data analytics promises to help government and law enforcement focus on the areas of greatest impact in order to prevent our mail system from being misused to distribute narcotics in the future.

Thank you for the opportunity to discuss our work. I am happy to answer any questions.