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



Oral Statement

**Stopping the Shipment of Synthetic Opioids:
Oversight of U.S. Strategy to Combat Illicit Drugs**

May 25, 2017

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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 on inbound international mail.

First, let me provide some context. We started examining this area two years ago after we received complaints that the Postal Service was not presenting mail to Customs and Border Protection (CBP) for screening as required. After looking into it, we determined audit work was needed. Given our role as the Office of Inspector General for the Postal Service, we focused on the Postal Service's procedures and its coordination with CBP. We did not review CBP's operations, although we did talk to CBP staff to gather information.

Also, both CBP and the Postal Service provided information used in our reports. They considered some details sensitive and requested redactions in the public versions that we posted on our website.

Inbound international mail primarily enters the postal system at five International Service Centers (ISCs) around the country. Generally, all inbound international mail is subject to inspection by CBP, and the Postal Service must present for inspection all the mail that CBP requests.

The Postal Service received 621 million pieces of inbound international mail in fiscal year (FY) 2016. Almost half were packages. The growth of e-commerce

has caused inbound package volume to nearly double since FY 2013, creating challenges for managing this flow of traffic. More than half of the package volume is from ePackets — small tracked packages under 4.4 pounds.

Given the growth of international package flows to the Postal Service, there is a need to find more effective ways to manage inbound traffic. Some foreign posts send the Postal Service advance electronic customs data, which includes information on the sender, addressee, and contents of the mail piece. This data helps both with processing and inspecting inbound mail.

International postal regulations are beginning to change in recognition of the importance of posts providing advance electronic customs data. The Postal Service can also require this data through bilateral agreements it makes with foreign postal operators. However, our audit work found instances of bilateral agreements where the Postal Service had not requested this advance customs data.

Since November 2015, the Postal Service has been piloting a joint initiative with CBP in New York. CBP is integrating its data systems with the Postal Service's systems to use advance data to target packages for inspection. The Postal Service and CBP intend to expand this pilot to new locations before the end of the fiscal year.

We have issued five reports on inbound international mail operations since September 2015 and found several problems with the presentation of inbound packages to CBP:

- First, Postal Service employees sometimes began processing packages before arrival scans had been input into the system. This could result in pieces missing customs screening or in the acceptance of inappropriate or unknown shipments.
- Second, problems with scanning during processing into and out of customs meant that the Postal Service could not always determine whether a package was in CBP's custody or its own.
- Third, and most significant, at times, the Postal Service just did not present packages to CBP for inspection when requested. Instead, the packages were processed directly into the mailstream.

These failures occurred for several reasons including human error and electronic system problems. An additional factor is that the Postal Service and CBP do not have a formal written agreement regarding the appropriate procedures.

To address our findings, we have made 11 recommendations in areas such as enhancing systems, providing employee training and oversight, improving scanning data, ensuring items are presented to CBP, requesting advance electronic customs data from foreign posts, and coordinating with CBP to establish a formal agreement regarding presentation requirements. The Postal

Service agreed with these recommendations, and has taken sufficient action to close five of them. Six recommendations are still outstanding — including establishing a formal agreement with CBP.

Ensuring the safety and security of inbound international mail is a critical challenge for the Postal Service and CBP. More effort is needed to quickly fix problems in the current process and to make sure CBP receives as much electronic customs data as possible. My office will continue to monitor this issue, and we will work with our colleagues at the Department of Homeland Security Office of Inspector General on any related work they conduct.