



Office of Inspector General | United States Postal Service

## Audit Report

# U.S. Postal Inspection Service Area Case Management

Report Number OV-AR-19-003 | September 3, 2019



# Table of Contents

Cover	
Highlights.....	1
Objective .....	1
What the OIG Found.....	1
What the OIG Recommended .....	1
Transmittal Letter .....	2
Results.....	3
Introduction/Objective .....	3
Background.....	3
Finding #1: Improper Area Case Management .....	4
Recommendation #1 .....	6
Recommendation #2.....	6
Recommendation #3.....	6
Management’s Comments.....	6
Evaluation of Management’s Comments .....	7
Appendices .....	8
Appendix A: Additional Information.....	9
Scope and Methodology.....	9
Prior Audit Coverage .....	10
Appendix B: Management’s Comments.....	11
Contact Information .....	14

# Highlights

## Objective

Our objective was to assess whether the U.S. Postal Inspection Service has developed and implemented adequate controls to ensure proper oversight of area cases.

The mission of the Postal Inspection Service is to support and protect the U.S. Postal Service and its employees, infrastructure, and customers; enforce the laws that defend the nation's mail system from illegal or dangerous use; and ensure public trust in the mail. In fiscal years (FY) 2018 and 2019, the Postal Inspection Service had about 1,268 and 1,153 postal inspectors in 17 divisions across the nation, respectively. Postal inspectors are federal law enforcement agents responsible for investigating postal-related crimes.

Postal inspectors use the Case Management System to document and track investigative activities primarily using field notes or investigative summary logs (ISL). Area cases are typically established to conduct preliminary investigative activities, whereas a jacketed case is opened when there is indication or occurrence of criminal activity warranting further review. From October 2017 to December 2018, there were 1,373 closed area cases. Area cases should not be opened longer than three years and are managed at the division level. Inspectors should document case activities timely and accurately. Team leaders must review area case files, using the Closed Case Checklist, before case closure.

## What the OIG Found

We found that the Postal Inspection Service does not have adequate controls and processes in place to oversee area cases. Postal inspectors did not adequately document field notes or ISLs and did not update investigative activities and close area cases timely.

Specifically, of the 90 sample area cases closed between October 2017 and December 2018, we identified:

- 89 cases did not have sufficient field notes or ISLs to document daily activities. As a result, 216,749 of 336,238 (64 percent) workhours were charged to area cases without the required documentation.
- 53 cases did not have investigative details updated every six months.
- 29 cases were not closed within three years.
- 10 of 21 cases that required special reports were not submitted within seven days of a major investigative event.

Overall, these issues occurred because of inattention to case management requirements by assistant inspectors-in-charge, team leaders, and inspectors. Specifically, assistant inspectors-in-charge and inspectors stated they are aware of the requirement to document daily activities, but they predominately documented only significant events. Also, the policies have conflicting information related to using field notes or ISLs to document significant events versus daily activities. In addition, team leaders did not conduct comprehensive reviews before approving case closures, although 96 percent of the sample cases we reviewed contained a completed Closed Case Checklist.

A lack of oversight and insufficient documentation could hinder management's ability to achieve the Inspection Service's mission or assess the productivity of individual inspectors. The Postal Inspection Service spent about \$11,550,120 annually on unsupported workhours.

## What the OIG Recommended

We recommended the Postal Inspection Service update policies - to ensure investigative documentation requirements are consistent, and to include periodic reviews of investigative documentation; develop controls to ensure periodic reviews of investigative documentation are conducted; and provide refresher case management training to all team leaders and inspectors.

# Transmittal Letter

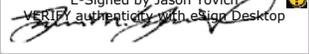


OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

September 3, 2019

**MEMORANDUM FOR:** GARY R. BARKSDALE  
CHIEF POSTAL INSPECTOR

E-Signed by Jason Yovich  
VERIFIED authentication with eSign Desktop



**FROM:** Jason M. Yovich  
Acting Deputy Assistant Inspector General  
for Technology

**SUBJECT:** Audit Report – U.S. Postal Inspection Service Area Case  
Management (Report Number OV-AR-19-003)

This report presents the results of our audit of U.S. Postal Inspection Service Area Case Management (Project Number 19TG006OV000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Julie T. Wong, Acting Director, Inspection Service, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit Response Management

# Results

## Introduction/Objective

This report presents the results of our audit of U.S. Postal Inspection Service area case management (Project Number 19TG006OV000). Our objective was to assess whether the Postal Inspection Service had developed and implemented adequate controls to ensure proper oversight of area cases.

## Background

The mission of the Postal Inspection Service is to support and protect the U.S. Postal Service and its employees, infrastructure, and customers; enforce the laws that defend the nation’s mail system from illegal or dangerous use; and ensure public trust in the mail. In fiscal years (FY) 2018 and 2019, the Postal Inspection Service had about 1,268 and 1,153 postal inspectors in 17 divisions across the nation, respectively. Postal inspectors are federal law enforcement agents responsible for investigating postal-related crimes.

Postal inspectors use the Case Management System (CMS) to document and track investigative activities primarily using field notes<sup>1</sup> or Investigative Summary Logs (ISLs).<sup>2</sup> These preliminary investigative activities are typically documented and tracked under a case type called area case. When there is indication or occurrence of criminal activity warranting further review, a jacketed case is opened. Area cases should not be open longer than three years and are managed at the division level. Inspectors are responsible for documenting case activities timely and accurately. Team leaders must review case files, using the Closed Case Checklist,<sup>3</sup> before case closure.

From October 2017 to December 2018, the Postal Inspection Service charged about 1.35 million of 2.52 million workhours (54 percent) to 1,373 area cases. Area cases accounted for 19 percent and jacketed cases accounted for 81 percent of 7,233 total cases. On average, postal inspectors charged 986 workhours per area case compared to 200 workhours per jacketed case.

1 Field notes are detailed notes of an investigation.

2 Investigative Summary Log entries record significant steps in an investigation.

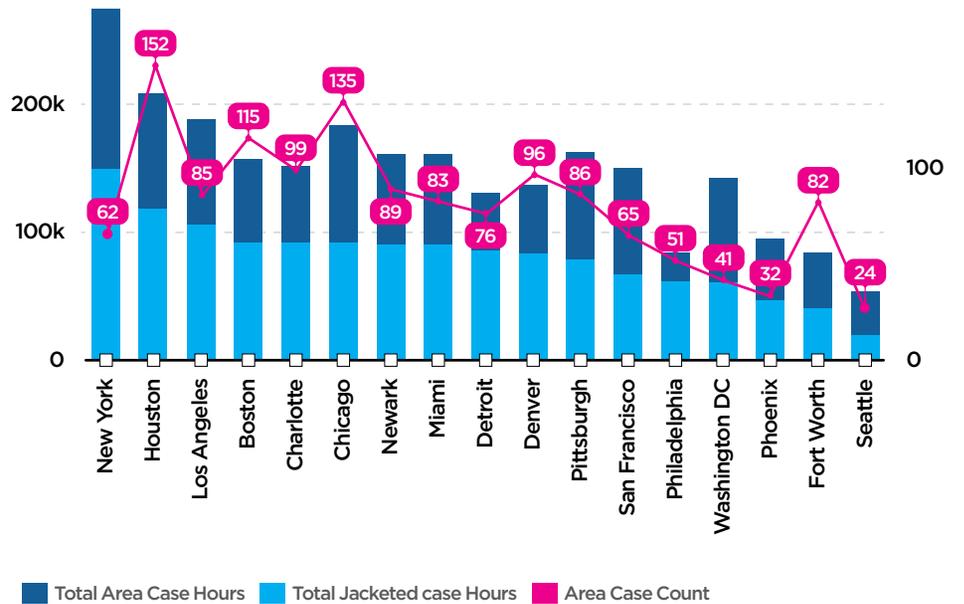
3 This is a standard Postal Inspection Service form that includes items such as field notes, ISLs, arrest/search warrants are attached to the case file prior to closure.

4 Total case hours represent closed area cases and closed jacketed cases.

**“From October 2017 to December 2018, the Postal Inspection Service charged about 1.35 million of 2.52 million workhours (54 percent) to 1,373 area cases.”**

The top three divisions with the highest number of workhours charged to area cases were New York, Houston, and Los Angeles. See Figure 1, which correlates the number of cases closed to the number of workhours per division.

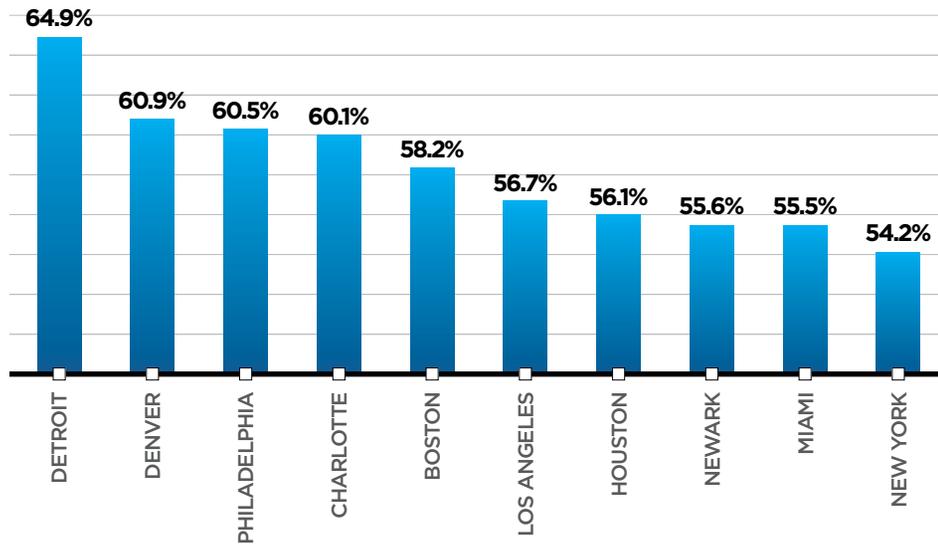
**Figure 1. Total Case Hours<sup>4</sup> by Division and Closed Area Case Count**



Source: U.S. Postal Inspector Office of Inspector General (OIG) analysis from CMS, from October 2017-December 2018.

The top three divisions with over 60 percent of workhours charged to area cases were Detroit, Denver, and Philadelphia, as shown in Figure 2. In addition, 10<sup>5</sup> of 17 divisions charged over 50 percent of their workhours to area cases.

**Figure 2. Percentage of Hours - Closed Area Cases by Division**



Source: OIG analysis from CMS, October 2017- December 2018.

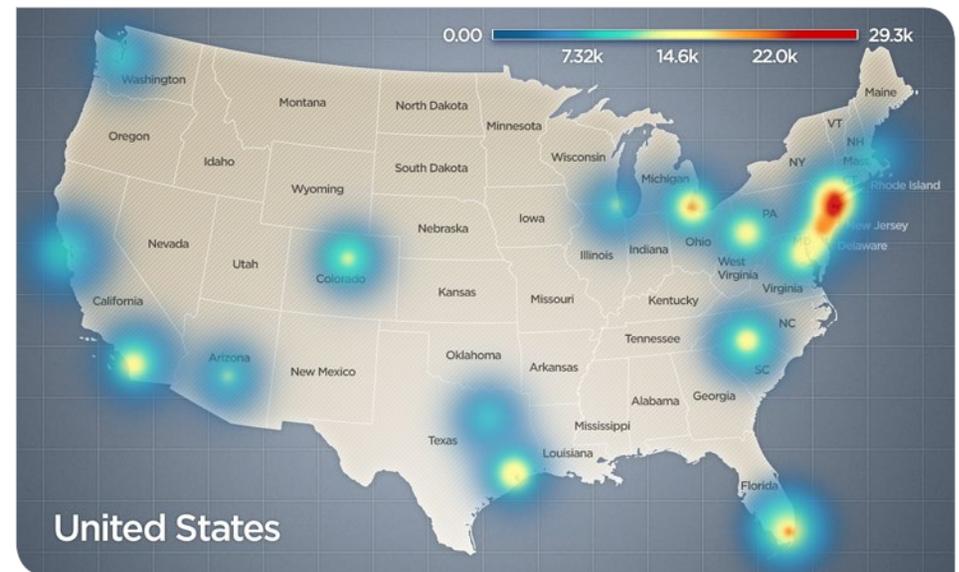
### Finding #1: Improper Area Case Management

We found the Postal Inspection Service did not have adequate support for workhours charged because there was no proper oversight for closed area cases. Eighty-nine of 90<sup>6</sup> sample closed area cases reviewed did not have sufficient field notes or ISLs to document daily activities. Of the 89 cases, three — totaling 2,813 workhours — contained no field notes or ISLs. Additionally, we found ISLs related to prevention work<sup>7</sup> were documented in area cases that should have been documented elsewhere.

5 The top three divisions are included in the count of 10 divisions. The remaining seven divisions not listed are: Phoenix, Chicago, Pittsburgh, Fort Worth, San Francisco, Washington DC, and Seattle.  
 6 Sample included 90 area cases – five cases from each of the 17 Postal Inspection Service divisions and five task force cases.  
 7 Inspectors conduct prevention work such as training and presentation to employees and the public.  
 8 This area includes the New York, Newark, and Boston divisions.  
 9 Mail Theft protects mail in the custody of the Postal Service from theft, destruction, or mistreatment.  
 10 Prohibited Mail Narcotics area cases are preliminary general drug investigations.  
 11 Specialty report is used to document major investigative event in certain program areas.

Our analysis of workhours showed the Northeast Area<sup>8</sup> had the highest concentration of unsupported workhours. Mail Theft<sup>9</sup> and Prohibited Mail Narcotics<sup>10</sup> cases contained the most unsupported workhours in the Northeast Area, totaling about 14,575 and 8,207, respectively. Additionally, the Houston, Detroit, and Miami divisions had high concentrations of unsupported workhours, as shown in Figure 3.

**Figure 3. Heat Map of Unsupported Area Case Workhours by Divisions**

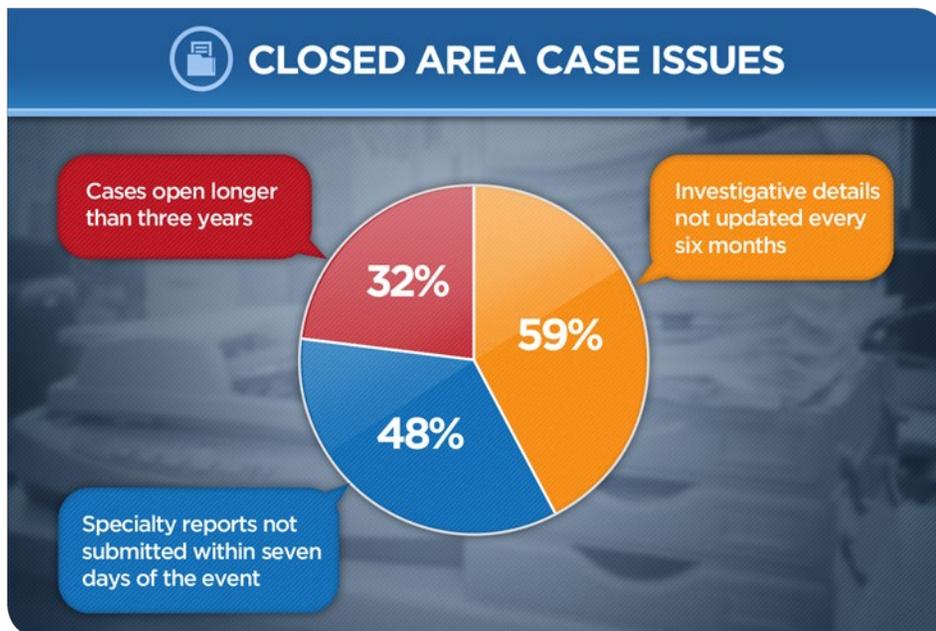


Source: OIG analysis from CMS, October 2017 - December 2018.

We also found that postal inspectors did not always timely update investigation details, submit specialty reports,<sup>11</sup> or close area cases, as shown in Table 1.



## CLOSED AREA CASE ISSUES



**Table 1. Closed Area Case Issues**

Closed Area Case Management Requirements	Deficiencies	Total	Percentage
Investigative details not updated every six months	53	90	59%
Specialty reports not submitted within seven days of the event <sup>12</sup>	10	21	48%
Cases open longer than three years	29	90	32%

Source: OIG analysis from CMS, October 2017 - December 2018.

<sup>12</sup> Program area with the most deficiencies: Work Place Violence and Domestic Mail Investigation.

<sup>13</sup> *Inspection Service Manual (ISM)*, Section 1-3.2.5, Entering Work Hours, dated September 2018; Case Management Reporting Requirements (CMRR) Fiscal Year 2018, Section 160 Field Notes.

<sup>14</sup> CMRR Fiscal Year 2018.

<sup>15</sup> CMRR Fiscal Year 2018 and ISM Section 1-3.2.5 require inspectors to document daily activities and all matters that occur in an investigation in field notes or ISLs. However, ISM Section 5-9.9.2 requires inspectors to document only significant events.

Postal Inspection Service policies<sup>13</sup> require inspectors to enter workhours and track leave hours daily in CMS and to document daily activities and all matters that occur in an investigation in field notes or ISLs. In addition, field notes must be scanned and attached electronically to the case file before closing. Per policy,<sup>14</sup> postal inspectors must update investigation details at least every six months and, as significant events occur, enter specialty reports into CMS within seven days of the event and close area cases after three years.

Overall, these issues occurred because of inattention to case management requirements by assistant inspectors-in-charge (AIC), team leaders, and inspectors. Specifically, AICs and inspectors stated they are aware of the requirement to document daily activities, but they predominately documented only significant events. Also, the policies have conflicting<sup>15</sup> information related to using field notes or ISLs to document significant events versus daily activities. Team leaders did not conduct comprehensive reviews before approving cases closure, although 96 percent (86 of 90) of sample cases we reviewed contained a completed Closed Case Checklist. Team leaders are not required to conduct frequent reviews or provide regular oversight to ensure investigative activities were properly recorded and documented in CMS. Finally, AICs, team leaders, and inspectors do not receive refresher case management training after graduating from basic inspector training.

During the audit, we interviewed representatives from the Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS) to benchmark area case management. The FBI and IRS have a formal supervisory review of case files every three to four months, while the Postal Inspection Service team leaders conduct reviews annually or at case closing, which could occur every three years as required. Both the FBI and IRS require a subsequent review from the assistant special agents-in-charge at least annually; however, this is not a requirement for the Postal Inspection Service assistant inspectors-in-charge.

A lack of oversight and insufficient documentation could hinder management's ability to achieve the Inspection Service's mission or assess the productivity of individual inspectors. When management does not review preliminary investigative work periodically, they may not have the critical information needed to determine if a preliminary investigation should end or if a case should be jacketed. Finally, as personnel turnover or reassignment of inspectors occurs, this lack of documentation could cause duplicative effort or knowledge loss. As a result of insufficient documentation, 216,749<sup>16</sup> workhours equivalent to 104<sup>17</sup> full-time inspector workhours, totaling \$14,437,650,<sup>18</sup> were unsupported.

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*“As a result of insufficient documentation, 216,749 workhours equivalent to 104 full-time inspector workhours, totaling \$14,437,650 were unsupported.”*

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### Recommendation #1

The **Chief Postal Inspector** update Postal Inspection Service policies to:

- Ensure investigative documentation requirements are consistent throughout the policies; and
- Include periodic reviews of investigative documentation.

### Recommendation #2

The **Chief Postal Inspector** develop controls to ensure periodic reviews of investigative documentation are conducted.

### Recommendation #3

The **Chief Postal Inspector** provide refresher case management training to all team leaders and inspectors regarding investigative documentation requirements and proper case closure procedures, according to policies.

## Management's Comments

Management agreed with our findings and recommendations but disagreed with the monetary impact associated with recommendation 1.

Regarding recommendation 1, management stated the Postal Inspection Service is in the process of reviewing policies to ensure they are consistent and current. The policies related to Investigative Summary Logs (ISL) will be modified to consistently state that ISLs are only used to record significant steps in an investigation. Management stated the Unsupported Questioned Costs of \$14,437,650 alleged in this audit is without merit. The auditors erroneously relied on policy related to Compensation, Time, and Attendance as opposed to the policy specifically related to Case Reporting Guidelines in calculating their monetary impact. Also, management stated inspectors document their investigative work activities using a variety of means to include Investigative Details, Specialty Reports, as well as other program specific databases. The target implementation date is September 30, 2020.

Regarding recommendation 2, management stated as previously provided in our response to the Review of Postal Inspection Service Criminal and Administrative Process – Fort Worth Division (Report Number HR-AR-19-002) recommendation 2, the Postal Inspection Service believes additional safeguards should be implemented to ensure cases are properly documented. Management stated they are re-establishing headquarter reviews to be conducted to identify potential deficiencies to be corrected. These reviews will enforce the case management documentation requirements. The target implementation date is March 31, 2020.

<sup>16</sup> Total unsupported workhours were for cases opened between fiscal year 2011 and 2018.

<sup>17</sup> 40 hours per week multiplied by 52 weeks equals 2,080 hours annually.

<sup>18</sup> We divided \$14,437,650 by 15 months, which is the scope of the audit, to obtain the monthly amount of \$962,510. Then we multiplied \$962,510 by 12 months to get the annual amount of \$11,550,120.

Regarding recommendation 3, management stated as previously provided in our response to the Review of Postal Inspection Service Criminal and Administrative Process – Fort Worth Division (HR-AR-19-002) recommendation 1, the Postal Inspection Service has previously identified an opportunity to conduct in-service functional team leader training, which will include the investigative documentation requirements identified during this audit. Once the in-service functional team leader training has been conducted, team leaders will conduct appropriate follow-up with their teams. The target implementation date is September 30, 2020.

See [Appendix B](#) 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 agrees that inspectors may document their investigative work activities utilizing a variety of means to include Investigative Details, Specialty Reports, as well as other program specific databases. However, workhours associated with area cases can only be supported by field notes or Investigative Summary Logs (ISL) according to *Inspection Service Manual* (ISM), Section 1-3.2.5. Additionally, Case Management Reporting Requirements Fiscal Year 2018, Section 330, states Investigation Details are not a replacement for ISLs and do

not use Investigative Details to record daily activities not deemed significant occurrences in the investigation. Furthermore, Section 340 identifies Specialty Reports as system source documents that only chronicle major events.

As noted in the report, Postal Inspection Service policies have conflicting information related to using field notes or ISLs to document significant events versus daily activities. Management's response to recommendation 1 is that they are in the process of reviewing policies to ensure they are consistent and current. The policies related to ISLs will be modified to consistently state that ISLs are only used to record significant steps in an investigation.

Regarding the calculation of \$14,437,650 in Unsupported Questioned Costs, we identified the ISM, Section 1-3.2.5, requires workhours be documented daily through the use of field notes or ISLs. To calculate the Unsupported Questioned Costs, we reviewed 90 area cases for completed field notes and ISLs and compared these to the work hours claimed by individual inspectors. We found that 2,813 workhours had no supporting field notes or ISLs.

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

Click on the appendix title below to navigate to the section content.

<b>Appendix A: Additional Information</b> .....	<b>9</b>
<b>Scope and Methodology</b> .....	<b>9</b>
<b>Prior Audit Coverage</b> .....	<b>10</b>
<b>Appendix B: Management’s Comments</b> .....	<b>11</b>

# Appendix A: Additional Information

## Scope and Methodology

The scope of our audit was closed area cases from October 2017 through December 2018. We selected a judgmental sample of 85 closed area cases from 17 Postal Inspection Service divisions and five closed task force cases to determine whether inspectors submitted and attached field notes, updated investigation details, submitted specialty reports, and closed area cases in prescribed time frames, as required by policy.

To accomplish our objective, we:

- Reviewed Postal Inspection Service policies and guidance to identify case management practices and procedures.
- Reviewed an OIG data analysis memorandum to determine if workhours for closed area and jacketed cases varied between FY 2018 and our scope.
- Obtained the number of closed jacketed cases and associated workhours and compared to closed area cases data.
- Interviewed program managers to obtain information around area case oversight and inspectors' use of field notes and ISLs to document workhours.
- Interviewed AIC, team leaders, and inspectors to determine how they oversee area cases.
- Reviewed field notes, ISLs, investigation details, investigative history files, specialty reports, case closings, attribute lists, and case closing checklists from CMS to determine if team leaders provided oversight.
- Reviewed Postal Inspection Service task force work to determine if it aligns with the mission of the Inspection Service.

- Reviewed a judgmental sample of 90 area cases closed between October 1, 2017 and December 31, 2018 to:
  - Determine if claimed workhours were supported with field notes or ISLs; and
  - Reviewed area cases to determine adherence to case management requirements and noted deficiencies.
- Interviewed inspectors and team leaders regarding specific area cases reviewed with unsupported workhours or other case file deficiencies to gain an understanding as to why deficiencies occurred.
- Conducted interviews with FBI<sup>19</sup> and the IRS<sup>20</sup> to benchmark against Postal Inspection Service preliminary area case management practices.

We conducted this performance audit from March through September 2019, 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 finding and conclusions based on our audit objective. The evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective. We discussed our observations and conclusions with management on July 30, 2019 and included their comments where appropriate.

We assessed the reliability of closed area case data by independently pulling 90 area cases in our sample and comparing the division raw data to the data in CMS and assessed the total hours by tracing data to source documents. We determined that the data were sufficiently reliable for this report.

<sup>19</sup> Internal Policy Department.

<sup>20</sup> Operations Policy and Support Department.

## Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Review of Postal Inspection Service Criminal and Administrative Processes - Fort Worth Division</i>	Assess the U.S. Postal Inspection Service's compliance with criminal and administrative processes, including the effectiveness of internal controls.	<a href="#">HR-AR-19-002</a>	4/19/2019	None

# Appendix B: Management's Comments



GARY R. BARKSDALE  
CHIEF POSTAL INSPECTOR

UNITED STATES POSTAL INSPECTION SERVICE

August 23, 2019

LAZERICK C. POLAND  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Review of Inspection Service Area Case Management  
(Report Number OV-AR-19-DRAFT)

Thank you for the opportunity to review and comment on the findings and recommendations contained in the draft audit report, U.S. Postal Inspection Area Case Management.

The Postal Service agrees with the findings and recommendations of the audit; however, we vehemently disagree with the assertion of a monetary impact related to recommendation 1 in the amount of \$14,437,650. The auditors erroneously relied on policy related to Compensation, Time, and Attendance as opposed to the policy specifically related to Case Reporting Guidelines. As discussed with the auditors, inspectors document their investigative work activities utilizing a variety of means to include Investigative Details, Specialty Reports, as well as other program specific databases. Each recommendation is addressed separately below.

Recommendation 1: The Chief Postal Inspector update Postal Inspection Service policies to:

- Ensure investigative documentation requirements are consistent throughout the policies; and
- Include periodic reviews of investigative documentation.

Management Response/Action Plan: Management agrees with this recommendation but disagrees with the monetary impact. The Postal Inspection Service is in the process of reviewing our policies to ensure they are consistent and current. The policies related to Investigative Summary Logs (ISLs) will be modified to consistently state that ISLs are only used to record significant steps in an investigation. The "Unsupported Questioned Costs" of \$14,437,650 alleged in this audit is without merit. The auditors erroneously relied on policy related to Compensation, Time, and Attendance as opposed to the policy specifically related to Case Reporting Guidelines in calculating their monetary impact.

Target Implementation Date: September 30, 2020

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Washington, D.C. 20260-2100  
www.POSTALINSPECTORS.USPIS.GOV

Responsible Official: Chief Postal Inspector

Recommendation 2: The Chief Postal Inspector develop controls to ensure periodic reviews of investigative documentation are conducted.

Management Response/Action Plan: Management agrees with this recommendation. As previously provided in our response to the *Review of Postal Inspection Service Criminal and Administrative Process – Fort Worth Division* (HR-AR-19-002) recommendation 2, the Postal Inspection Service believes additional safeguards should be implemented to ensure cases are properly documented. We are re-establishing headquarter reviews to be conducted to identify potential deficiencies to be corrected. Through these reviews, the case management documentation requirements will be enforced.

Target Implementation Date: March 31, 2020

Responsible Official: Deputy Chief Inspector, Headquarters Operations

Recommendation 3: The Chief Postal Inspector provide refresher case management training to all team leaders and inspectors regarding investigative documentation requirements and proper case closure procedures, according to policies.

Management Response/Action Plan: Management agrees with this recommendation. As previously provided in our response to the *Review of Postal Inspection Service Criminal and Administrative Process – Fort Worth Division* (HR-AR-19-002) recommendation 1, the Postal Inspection Service has previously identified an opportunity to conduct in-service functional team leader training, which will include the investigative documentation requirements identified during this audit. Once the in-service functional team leader training has been conducted, team leaders will conduct appropriate follow-up with their teams.

Target Implementation Date: September 30, 2020

Responsible Official: Inspector in Charge, Career Development Unit

- 3 -

Thank you,

A handwritten signature in blue ink, appearing to read "G. Barksdale".

Gary R. Barksdale  
Chief Postal Inspector

*cc: Manager, Corporate Audit Response Management*



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