

U.S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment

AUDIT REPORT

Report Number 22-174-R24 | February 13, 2024



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Highlights

Background

The mission of the U.S. Postal Inspection Service is to support and protect the U.S. Postal Service and its employees, infrastructure, and customers. Postal inspectors are law enforcement agents who are assigned accountable property, such as surveillance equipment, for investigative purposes. Surveillance equipment is an electronic or mechanical device used to capture communications, visual images, and physical locations for investigative purposes. As of fiscal year 2023, the Postal Inspection Service had about 10,000 pieces of law enforcement surveillance equipment valued at over \$65 million. Effective management of law enforcement equipment ensures the Postal Inspection Service can fulfill its important mission of countering mail theft and narcotics in mail and preventing identity theft to support and protect the Postal Service and its customers.

What We Did

Our objective was to determine whether the Postal Inspection Service has efficient and effective controls to manage its law enforcement surveillance equipment. Along with Postal Inspection Service National Headquarters, we judgmentally selected five of the 16 Postal Inspection Service divisions, and five domiciles with the highest amount of law enforcement surveillance equipment. We performed physical inventories, compared results to the inventory management system, reviewed related policies and procedures, and evaluated system security controls.

What We Found

The Postal Inspection Service did not maintain an accurate inventory of surveillance equipment in its inventory management system, the Electronic/Technical Surveillance Tracking System. Specifically, we identified 134 of 404 (33 percent) pieces of electronic surveillance equipment and 464 of 1,238 (37 percent) pieces of technical surveillance equipment that we reviewed were either recorded with errors or were not recorded in the inventory management system. Further, we found policies and procedures were not updated to reflect current practices for managing equipment. Additionally, Postal Inspection Service management did not assign Electronic/Technical Surveillance Tracking System user roles based on job responsibilities or remove unauthorized users from the system. Lastly, we identified three critical system errors restricting users' ability to temporarily transfer, assign, or document the disposal of surveillance equipment.

Recommendations

We made six recommendations to address the overarching causes of inaccurate inventory of electronic and technical surveillance equipment, and three to ensure the integrity and security of the surveillance inventory system.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

February 13, 2024

MEMORANDUM FOR: GARY R. BARKSDALE
CHIEF POSTAL INSPECTOR

PETER R. RENDINA
DEPUTY CHIEF INSPECTOR, SECURITY AND CRIME PREVENTION

CRAIG GOLDBERG
DEPUTY CHIEF INSPECTOR, ANALYTICS AND INVESTIGATIONS

A handwritten signature in black ink, reading "W Espinoza", is positioned above the "FROM:" field.

FROM: Wilvia Espinoza
Deputy Assistant Inspector General
for Inspection Services, Technology, and Services

SUBJECT: Audit Report – U.S. Postal Inspection Service’s Inventory Controls Over
Law Enforcement Surveillance Equipment
(Report Number 22-174-R24)

This report presents the results of our audit of U.S. Postal Inspection Service’s Inventory Controls Over Law Enforcement Surveillance Equipment.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Victoria Dixon, 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 self-initiated audit of the U. S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment (Project Number 22-174). Our objective was to determine whether the Postal Inspection Service has efficient and effective controls to manage law enforcement surveillance equipment. See [Appendix A](#) for additional information about this audit.

Background

The mission of the Postal Inspection Service¹ is to support and protect the 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 year (FY) 2022, there were over 1,250 postal inspectors who investigated postal-related crimes, such as carrier robberies, mail theft, identity theft, and burglaries.² Postal inspectors are law enforcement agents who are assigned accountable property, such as surveillance equipment, for investigative purposes. As of FY 2023, the Postal Inspection Service had about 10,000 pieces of law enforcement surveillance equipment valued at over \$65 million. Surveillance equipment includes devices that capture communications, visual images, and physical locations.

[REDACTED]

Effective management of law enforcement equipment ensures the Postal Inspection Service will have the

resources to fulfill its mission to support and protect the Postal Service and its customers.

Along with Postal Inspection Service National Headquarters, we judgmentally selected five of the 16 Postal Inspection Service divisions and five domiciles⁵ with the highest amount of law enforcement surveillance equipment. We reviewed a sample of equipment at National Headquarters⁶ and the Chicago, Fort Worth, Los Angeles, and New York divisions. We also visited the Carol Stream, IL, and Irving Park, IL, domiciles within the Chicago division; the Flushing Queens, NY, and Morgan, NY, domiciles within the New York division; and the Newark, NJ, domicile within the Philadelphia division.⁷

Law Enforcement Surveillance Equipment

The Postal Inspection Service has two categories of law enforcement surveillance equipment: electronic surveillance (ES) equipment and technical surveillance (TS) equipment.

The *Inspection Service Manual* (ISM) defined ES equipment as equipment that typically records sensitive data such as location, voice, phone numbers, and call log details. Postal inspectors may

[REDACTED]

The ISM did not define TS equipment; however, Postal Inspection Service officials defined it as investigative devices that do not record audio during investigations.

[REDACTED]

The headquarters office purchases equipment to assign or loan to divisions nationwide. Additionally, equipment received for repair or programming could be added to its inventory.

¹ The mission is fulfilled by developing the Postal Inspection Service workforce, deploying emerging technology, standardizing organizational processes, ensuring compliance with policies and procedures, and improving communications. U.S. Postal Inspection Service Headquarters Operations, Business Operations team.

² *United States Postal Inspection Service Annual Report 2022*.

³ [REDACTED]

⁵ A domicile is a subset of a division established in locations where additional postal inspector coverage is needed as determined by the inspectors in charge.

⁶ The Technical Services Unit is a part of Postal Inspection Service National Headquarters.

⁷ The audit team reviewed equipment in the Newark domicile, which is a part of the Philadelphia division.

Figure 1. Total Equipment Reviewed by Location

Source: U.S. Postal Service Office of Inspector General (OIG) analysis.
 *The Philadelphia division includes the Newark domicile.

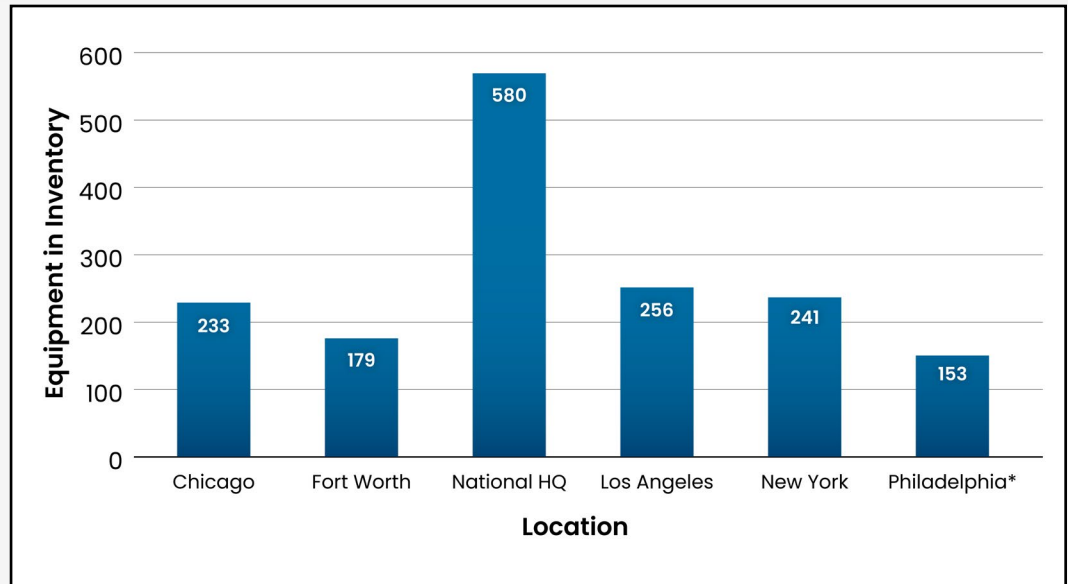
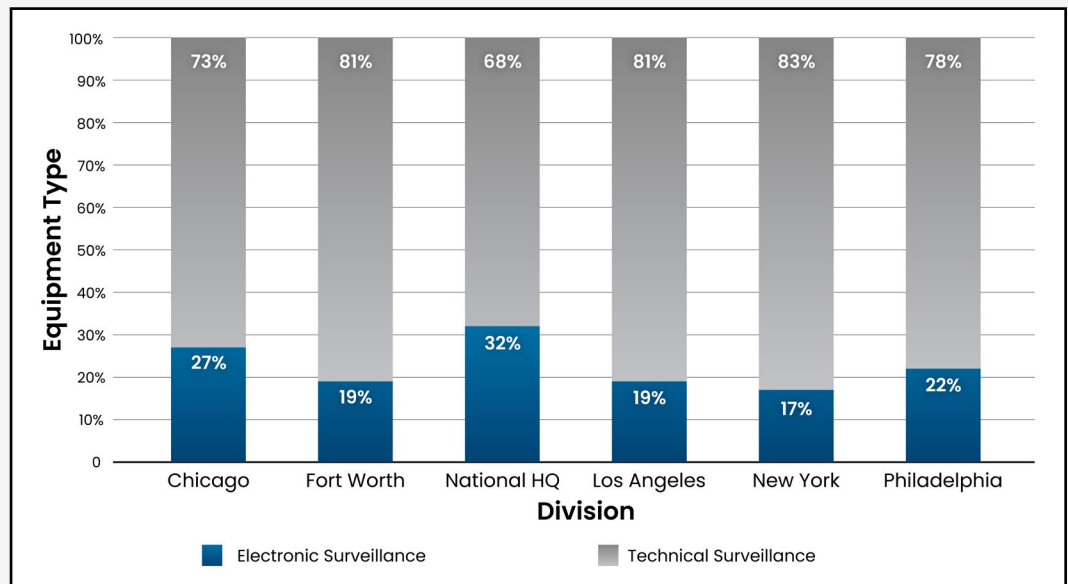


Figure 2. Percentage of Equipment Reviewed by Type

Source: OIG observations and analysis of ETS data.



For the divisions in our scope, we reviewed 1,642 pieces of equipment: 404 ES equipment, and 1,238 TS equipment. See Figure 1 and Figure 2 for a detailed breakdown per division.

Oversight of Law Enforcement Surveillance Equipment

The Postal Inspection Service established the Technical Services Unit (TSU) in FY 2011⁸ to provide innovative technological solutions and support to enhance its investigations.⁹ The TSU provides a variety of devices and services to postal inspectors to support the Postal Inspection Service’s criminal

and security programs, such as audio and video equipment and support, communications technology, training, communication intercepts, security devices and related monitoring equipment, x-ray equipment, electronic surveillance equipment, and research and development of other equipment.

Oversight of law enforcement surveillance equipment is a shared responsibility between the TSU and Postal Inspection Service divisions.¹⁰ The TSU program manager at Postal Inspection Service Headquarters has oversight responsibilities to ensure the accountability of all TSU equipment. The TSU

⁸ In 2011, the TSU replaced the Technical Services Division, which was responsible for researching, developing, deploying and supporting technical equipment used by Postal Inspection Service personnel.
⁹ *TSU Handbook, Policy and Technical Equipment Reference Guide*, August 2016.
¹⁰ Divisions are operational units led by an inspector in charge.

maintains a master inventory record of ES and TS equipment in the Electronic/Technical Surveillance Tracking System (ETS).

The inspector in charge of each Postal Inspection Service division is responsible for oversight of operations and the division's equipment annual reviews. Inspectors in charge can delegate responsibilities to personnel within their divisions to oversee and manage equipment. Each division is responsible for ensuring accurate and up-to-date ETS records pertaining to ES and TS equipment assigned to that division.

Surveillance Equipment Tracking

ETS¹¹ is an inventory management system used nationwide to track equipment assigned to employees or other entities such as divisions and domiciles within the Postal Inspection Service. This system was developed internally by the Postal Service in 2008 based on requirements developed and maintained by the Postal Inspection Service. Functions of the system allow users to purchase, assign, transfer, and dispose of equipment. Postal Inspection Service policy states equipment is identified in ETS using barcode numbering technology¹² (also known as IS labels) and when feasible, should be identified with a unique number, such as a serial number, to differentiate it from similar equipment.¹³

ETS User Roles

The ETS Requirements Document¹⁴ provides the vision of the intended use of the ETS system. For example, the document outlines six user roles within ETS:

- National Coordinator: administrative users that have access to all functions within ETS, including adding and removing users.
- ES Division Coordinator: responsible for the division's ES equipment and can edit equipment data for their division only. They also oversee the division's annual physical inventory review of ES equipment.

- TS Division Coordinator: responsible for the division's TS equipment and can edit equipment data for their division only. They can also purchase TS equipment.
- ES Custodian: issues equipment, retains records, performs annual physical inventory of equipment, and coordinates technical support when needed.
- Field User: receives, transfers, and disposes of TS equipment.
- Read National: read-only access to the system.

However, as of September 2023, ETS only contains three user roles: National Coordinator, Division Coordinator, and ES Custodian.

Findings Summary

We identified areas of improvement for the Postal Inspection Service's management of its law enforcement surveillance equipment. Specifically, the Postal Inspection Service did not have an accurate inventory of its equipment. Additionally, policies to manage inventory and user roles for ETS users were outdated. Further, we identified three critical errors in ETS that did not allow users to temporarily transfer and assign equipment or document the disposal of equipment.

Finding #1: Inaccurate Tracking of Law Enforcement Surveillance Equipment

The Postal Inspection Service did not maintain an accurate and current inventory of its equipment in ETS in accordance with policies for the Postal Inspection Service National Headquarters, and the five divisions we visited.

The ISM¹⁵ states each division is responsible for keeping accurate and up-to-date records pertaining to ES equipment, and all accountable property must be tracked in ETS. Further, the ISM states that to the extent feasible, surveillance equipment should be distinguished with an identifier to differentiate them from similar items.¹⁶ Per the *ETS User Guide*, IS labels are used within ETS to identify both ES and TS equipment. Although Postal Inspection Service policy

¹¹ The Postal Service maintains ETS.

¹² *ETS Vision/Scope Requirements Document*, Section 1 Vision, FY 2008.

¹³ ISM Section 2.7.1.2 Tracking, July 2023.

¹⁴ *ETS Vision/Scope Requirements Document*, Section 1 Vision, FY 2008.

¹⁵ ISM Section 2.7.1.2 Tracking, Section 6.3.7.1 Division Electronic Surveillance Coordinator, and Section 6.3.7.2 Division Electronic Surveillance Custodian. July 2023.

¹⁶ ISM Section 2.7.1.2 Tracking, July 2023.

“We identified 134 of 389 pieces of ES equipment and 464 of 1,254 pieces of TS equipment either had errors or were not recorded in ETS.”

states that all equipment is required to have an IS label, serial numbers in ETS are optional. However, when serial numbers are entered in ETS, they must be entered correctly because, in addition to inventory accountability, they are used by manufacturers to provide warranty and/or service to a product.

We found that inventory accountability of ES and TS equipment in ETS was inaccurate. Specifically, within National Headquarters and the five divisions

in our scope, we judgmentally selected 54 of 321 (17 percent) Postal Inspection Service personnel¹⁷ with the most equipment assigned. We compared ETS inventory reports for 1,643 of 2,302 (71 percent) pieces of equipment selected to perform our physical inventory count. We identified 134 of 389 (34 percent) pieces of ES equipment and 464 of 1,254 (37 percent) pieces of TS equipment either had errors or were not recorded in ETS (see Table 1).

Table 1. Identified Inventory Deficiencies

Category	ES	TS
Equipment not Included in ETS	0	11
Incorrect Equipment Assigned		
Equipment assigned to a retired postal inspector	0	101
Equipment not assigned to the correct postal inspector and/or division	5	57
Total	5	158
Incorrect Equipment Status		
Damaged or destroyed equipment marked active in ETS	8	20
Lost equipment marked active in ETS	6	78
Equipment not properly disposed of*	23	7
Equipment out on loan**	82	111
Total	119	216
Incorrect IS Label/Serial Number on Equipment		
IS label from ETS data did not match physical equipment IS number	0	9
Serial number from ETS data did not match physical equipment serial number	7	16
Equipment without an IS label	3	54
Total	10	79
Total Inadequate Pieces	134	464
Total Pieces Reviewed	389	1,254
Percent Deficient	34%	37%

Source: OIG analysis of ETS data as of August 2023.

*Represents damaged equipment that was marked inactive in ETS, but still in the possession of Postal Inspection Service personnel and not disposed of.

**Represents equipment assigned to Postal Inspection Service personnel in ETS but loaned to other Postal Inspection Service personnel and not reflected in the system.

¹⁷ Postal Inspection Service personnel includes postal inspectors, postal police officers, and professional, technical, and administrative staff.

Table 2. Separated Postal Inspection Personnel With Assigned Equipment

Postal Inspector	FY Separated	Division	TS Equipment		
			Assigned	Located**	Unaccounted For**
1	2015	Newark	90	2	88
2	2017	Newark	6	0	6
3		Chicago	11	0	11
4	2019	Los Angeles*	16	8	8
5	2020	Philadelphia	3	0	3
6	2022	Newark	22	5	17
7		New York	4	4	0
Total			152	19	133
Percent				13%	87%

Source: OIG analysis of ETS data as of February 2023, eAccess data as of September 2023, and Postal Inspection Service equipment verification data as of January 2024.

* OIG verified physical equipment statuses at the Los Angeles division office.

** TS equipment unaccounted for as of January 2024.

Additionally, as of February 2023, we identified seven Postal Inspection Service personnel with 152 pieces of equipment assigned to them, who were separated from the Postal Inspection Service between FYs 2015 and 2022 across all divisions.¹⁸ As of January 11, 2024, the Postal Inspection Service located 19 of the 152 pieces (13 percent) of equipment. However, they could not locate the remaining 133 pieces (87 percent) of equipment assigned to separated postal inspectors (see Table 2).

This occurred because Postal Inspection Service management did not provide ETS users formal training to properly account for the receipt, transfer, and disposal of ES and TS equipment. Additionally, TSU officials and the inspectors in charge did not implement controls to review the accuracy of ES and TS equipment in ETS. For example, in the Chicago division, we identified an ES custodian in ETS with assigned ES equipment but who was not included in the annual physical inventory because there were no controls in place to ensure all equipment was accounted for during inventories.

Without proper training, tracking, and oversight of all ES and TS equipment in ETS, the Postal Inspection Service cannot properly account for and secure its equipment and may also be unable to reallocate equipment among users to ensure they are properly outfitted to complete their missions. Further, without an accurate representation of the inventory of ES and TS equipment, the Postal Inspection Service is at risk of loss, misplacement, or theft of equipment, which could directly affect its ability to conduct investigations.

Recommendation #1

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, develop, and require all users to complete Electronic/Technical Surveillance Tracking System training and maintain documentation of training completion.

Recommendation #2

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, develop a verification process for annual physical equipment inventories to account for all equipment as required by the Inspection Service Manual.

¹⁸ Of the seven separated postal inspectors, one with 16 pieces of equipment in the Los Angeles division was in our physical inventory sample.

Recommendation #3

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**. 1) review all postal inspectors with assigned equipment and validate they are active employees, 2) retrieve equipment from postal inspectors who separated from the agency, and 3) update the status and assignment of all equipment in the Electronic/Technical Surveillance Tracking System.

Finding #2: Lack of Procedures and Inadequate ETS System Controls

The Postal Inspection Service did not update its policies and procedures and establish ETS security controls to prevent, detect, and remediate unauthorized user access. Additionally, management did not take action to fix critical system functionality errors to effectively manage the equipment.

Inadequate and Outdated Policy

Postal Inspection Service management did not update their policy to reflect current practices and remove obsolete procedures. Although the ISM was updated in July 2023, we found inconsistent or missing information in the sections related to the accountability of law enforcement equipment. Specifically, we found:

- Policies and procedures did not define TS equipment to effectively identify, track, monitor, and manage TS inventory.
- Radio equipment was incorrectly identified as part of TSU's responsibilities.
- The National Asset Tracking System was identified as the inventory repository system for law enforcement equipment. However, it was replaced by ETS in FY 2008.

Technical Surveillance Equipment Is Not Defined

The ISM defined ES equipment and identified procedures for its management. Although Postal Inspection Service officials provided an informal definition of TS equipment to the audit team,¹⁹ the ISM did not define or provide guidelines to manage inventory or tracking of TS equipment.

Organizational Change not Reflected in Policy

The ISM states that the TSU maintains responsibilities and management of the Postal Inspection Service Radio Communication Program. It also instructs postal inspectors to contact TSU for obtaining radio services. However, as of June 2023,²⁰ the Radio Communication Program falls under the Communication, Governance, and Strategy group.

Equipment Inventory System Change not Reflected in Policy

Lastly, the July 2023 update of the ISM identified the National Asset Tracking System as the system for managing equipment procurement, master inventory records, and the final disposition of equipment. However, ETS was implemented as the replacement equipment inventory system in FY 2008, and the National Asset Tracking System was retired in 2021.

Postal Service policy²¹ states that organizational units should ensure policies and procedures are current and complete. In addition, Postal Service policy²² states that policy owners must review their own policies and related documents at regular intervals to ensure they reflect current practices. Specifically, policy should be updated once every two years, and processes and guidelines should be updated once every year.

Policies were inadequate and outdated because the Postal Inspection Service Office of Counsel policy officials did not have a process in place to monitor and update the ISM at regular intervals. However, the Office of Counsel stated it is the responsibility of Postal Inspection Service divisions to create accountability procedures and processes and notify them when updates to the ISM are needed. Significant changes related to ETS and TSU were not included in the ISM update in July 2023 due to the lack of clearly defined roles and responsibilities. Additionally, the *ETS User Guide* and *TSU Handbook* have not been updated since March 10, 2009, and August 18, 2016, respectively, to reflect current practices.

¹⁹ Technical equipment would include audio and video equipment, communications technology, security devices, field screening equipment, electronic surveillance equipment, and other equipment to support the Postal Inspection Service's criminal and security programs.

²⁰ Postal Inspection Service Organizational Chart, June 2023.

²¹ *Administrative Service Manual* (ASM) 313.12: Originating Organizational Units, February 28, 2023.

²² Policy AS-310 Management of Postal Service Policies and Related Documents, September 2023.

The proper accountability and inventory of law enforcement surveillance equipment is at risk when policies and procedures are inadequate and outdated.

Recommendation #4

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, in coordination with the **Chief Counsel, Office of Counsel**, implement a process, including defining roles and responsibilities, to review and update Postal Inspection Service policies and related documents timely.

Recommendation #5

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, in coordination with the **Chief Counsel, Office of Counsel**, update the Inspection Service Manual to 1) define, track, and maintain technical surveillance equipment, 2) assign the Radio Communications Program to the Communications, Governance, and Strategy group, and 3) replace all references of the National Asset Tracking System with the correct equipment inventory system.

Inadequate Management of User Roles

Postal Inspection Service management did not effectively manage and establish segregation of duties for user roles in ETS. Specifically, management did not assign user roles based on job functions and responsibilities and did not remove unauthorized users from the system in accordance with Postal Service policies²³ and best practices.²⁴

Postal Service policy states accounts must be established to ensure access is granted based on need to know, separation of duties, and the least access needed to complete their job function.²⁵ Further, best practices state that no user should have privileges that will allow misuse of a system.²⁶ Additionally, Postal Service policy states all managers must ensure that access to information resources is immediately revoked for personnel due to a transfer, change in job responsibilities, routine separation, or involuntary termination.²⁷

As of August 31, 2023, of the 551 ETS users, 38 (7 percent) were assigned the national coordinator role.²⁸ The national coordinator role is defined as an administrative function that can add, edit, and delete new users, vendors, and equipment in ETS.²⁹ National coordinators can also purchase, assign, transfer, and dispose of ES and TS equipment locally and nationally. Access to this administrative role should be restricted because of the ability to perform all functions within ETS.

We judgmentally selected five of the 38 national coordinators to understand their roles related to ETS. We found instances where national coordinators were unaware of their roles, did not know why they were granted access, and did not use ETS (see Table 3).

Table 3. Knowledge and Use of National Coordinator Roles

Job Title	National Coordinator Role		Reason Unknown for Granted Access	Did Not Use ETS
	Aware	Unaware		
Postal Inspector Team Leader	X		X	
Senior Technical Surveillance Specialist	X		X	
Program Specialist		X	X	X
Administrative Support Specialist	X			
Technical Surveillance Coordinator	X			X

Source: OIG interviews with Postal Inspection Service personnel.

23 *Handbook AS-805 Information Security*, Section 2-1, Policy, September 2022, states that access to information resources is based on an individual's roles and responsibilities.
 24 National Institute of Standards and Technology (NIST) SP 800-53 Rev 5, *Security and Privacy Controls for Information Systems and Organizations AC-Separation of Duties*, states that no user should have privileges that will allow misuse of a system.
 25 *Handbook AS-805 Information Security*, Section 9-4.3, Account Management, September 2022.
 26 NIST SP 800-53 Rev 5, *Security and Privacy Controls for Information Systems and Organizations AC-Separation of Duties*.
 27 *Handbook AS-805 Information Security* Section 9-3.2.7, Revoking Access, September 2022.
 28 NIST SP 800-53 Rev 5, *Security and Privacy Controls for Information Systems and Organizations AC-Separation of Duties*.
 29 *ETS User Guide*, Maintenance Section, March 2009.

Table 4. Active ETS Users With Multiple Roles

User	Division	ETS Roles			Total Roles per User
		National Coordinator	Division Coordinator	ES Custodian	
1	Los Angeles	X	X	X	3
2			X	X	2
3			X	X	2
4	New York		X	X	2
5			X	X	2
6	Philadelphia	X	X	X	3
7		X	X		2

Source: OIG analysis of ETS data as of August 31, 2023.

Additionally, of the 61 ETS users at three of the five divisions we visited, seven (11 percent) had more than one assigned role in ETS (see Table 4).

Further, 22 of 61 (36 percent) ETS users in the five divisions we reviewed were unauthorized, in that they no longer had a need to access ETS or they were no longer with the Postal Inspection Service (see Table 5).

Table 5. Unauthorized ETS Users

Division	No Longer Related to Role in ETS	Separated From the Postal Inspection Service
Chicago	3	1
Fort Worth	2	0
Los Angeles	8	0
New York	3	1
Philadelphia	2	2
Total	18	4

Source: OIG analysis of Postal Inspection Service data as of September 2023.

These issues occurred because Postal Inspection Service divisional management did not follow their formal process to assign users.³⁰ Additionally, management did not have a standard operating procedure to ensure roles were assigned based on the individual’s job responsibilities and to remove users in ETS when users transferred jobs or separated from the agency. Further, ETS did not have the capability to log³¹ user activity for assigning, editing, and removing user roles. Best practices state audit logs are beneficial for identifying security incidents and policy violations.³² Because ETS did not have audit logs, we were unable to determine when and by whom user roles were assigned.

Lastly, ETS did not have sufficient roles to allow the appropriate segregation of duties. As of September 2023, ETS contained only three of the six recommended user roles (see Table 6). For example, two Postal Inspection Service administrative personnel with no responsibility to manage equipment were granted the national coordinator role solely for training purposes when a role with read-only access would have been sufficient. However, the role did not exist in ETS.

³⁰ Postal Inspection Service personnel are required to complete Form 1357, *U.S. Postal Service Request for Computer Access*, dated January 2003, to gain access to ETS.
³¹ Audit logs are a chronological record of system activities. These logs must record data such as, the date and time of the event, the log-on identification of the administrative user, and the action performed by the user.
³² NIST SP 800-92, *The Need for Log Management*, September 2006.

Table 6. ETS User Roles Outlined in the Requirements Document

User Actions	National Coordinator*	Division Coordinator*		ES Custodian*	Field User	Read National
		ES	TS			
Read-only						X
ES Initial Purchase	X	X		X		
TS Initial Purchase	X		X		X	
ES Assignment	X	X		X		
TS Assignment	X		X		X	
ES Transfer to a Division	X	X		X		
TS Transfer to a Division	X		X		X	

Source: *ETS Vision/Scope Requirements* document.

*Only National Coordinator, Division Coordinator, and ES Custodian roles are available in ETS.

Without the appropriate procedures and roles to limit access and segregate duties in ETS, the Postal Inspection Service cannot protect the integrity and accuracy of data in its system to account for law enforcement surveillance equipment, valued at over \$65 million as of FY 2023.

Recommendation #6

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, develop a standard operating procedure to assign Electronic/Technical Surveillance Tracking System user roles based on individuals' roles and responsibilities and to update or remove user roles when postal inspectors transfer jobs or separate from the agency. In addition, review current users of the system and determine if the roles need to be modified or removed in accordance with Postal Service policy.

Recommendation #7

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, review user roles in the Electronic/Technical Surveillance Tracking System and implement additional roles, as needed, to allow for the appropriate segregation of duties.

Recommendation #8

We recommend the **Deputy Chief Inspector, Analytics and Investigations**, implement audit logs containing user activity for creating, assigning, editing, and removing user roles in the Electronic/Technical Surveillance Tracking System.

Functional Errors Identified in the Inventory System

Postal Inspection Service personnel did not have the ability to temporarily transfer or temporarily assign equipment between personnel and divisions. Additionally, Postal Inspection Service personnel were unable to upload documentation to support the final disposition of equipment in ETS. According to the *ETS User Guide*³³ and the ETS Requirements document,³⁴ personnel should be able to temporarily transfer equipment in the system across divisions when equipment is needed in their division, but not readily available. In addition, Postal Inspection Service personnel should be able to temporarily assign equipment in ETS when a person borrows equipment from another within their division.³⁵ We found 231 of 981 (24 percent)³⁶ pieces of equipment reviewed during our site visits were not temporarily transferred or assigned in ETS to the personnel physically holding the equipment. For this equipment, the assigned person in ETS knew other personnel were physically holding the equipment; however, it was not reflected in the system.

These functions could not be performed because the temporary transfer and temporary assignment functions were not operational in ETS. Specifically, ETS allowed users to enter data to temporarily transfer equipment in the system. However, the system did

33 *ETS User Guide*, Temporary Transfer, March 2009.

34 *ETS Vision/Scope Requirements Document*, Section 2.5 Transferring Equipment, FY 2008.

35 *ETS User Guide*, ES Temporary Assignment, March 2009, ETS Vision/Scope Requirements Document, Section 3.13 ES Temporary Assignment-Sending to User, and Section 3.14 ES Temporary Assignment-Returning to User, FY 2008.

36 This number accounts for equipment out on a case or out for repairs.

not allow the user to submit the data to complete the transfer. The temporary assignment function in ETS had the same limitation.

The ISM requires users to complete the PS Form 969³⁷ to document the process of properly destroying equipment that is inactive or cannot be repaired. Additionally, a copy of the completed Form 969 should be forwarded to the TSU program manager. The ETS Requirements document intended for ETS to automatically generate a Form 969 with the serial number or IS label, brand name, and model number of the equipment. ETS users would then either obtain a digital signature or print the Form 969 from the system for a manual signature and upload the approved form into ETS. This process would allow the TSU program manager to access all Forms 969 in accordance with the ISM.

However, when users attempted to generate a Form 969 to record the final equipment disposition in ETS, they received an error message. Users could not record the final disposition of 4,840 pieces of equipment in the system from April 2009 through September 2023

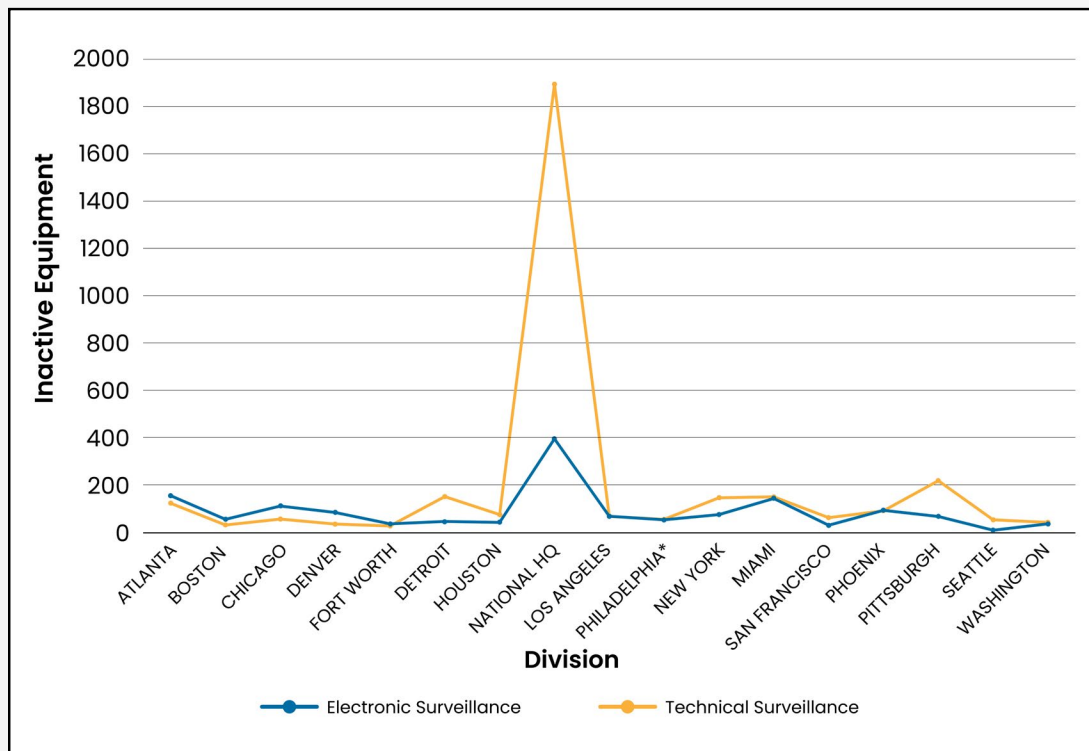
“Users could not record the final disposition of 4,840 pieces of equipment in the system from April 2009 through September 2023 because of the system error.”

because of the system error. As a result, the disposal status for the 4,840 pieces of equipment were marked as inactive but not properly documented in accordance with the ISM.³⁸ Figure 3 shows a breakdown of the final disposition of equipment without a Form 969 in ETS across all divisions.

These issues were not addressed because the TSU program manager or ETS users did not report the system errors to Postal Inspection Service Analytics, who are responsible for addressing system issues. Specifically, the TSU program manager did not know to whom to report system errors.

Figure 3. Final Disposition of Equipment Without Proper Documentation in ETS by National Headquarters and Division

Source: OIG analysis of ETS data, April 2009 through September 2023.
*The Philadelphia division includes Newark.



³⁷ PS Form 969, *Material Recycling and Disposal*, February 2020.

³⁸ The team performed physical inventories of sampled equipment marked as active in ETS for the divisions in our scope. Therefore, we did not determine whether the 4,840 pieces of equipment were on-hand or disposed of.

To compensate for the lack of ETS functionality, divisions and domiciles implemented workarounds by temporarily transferring and assigning equipment without proper tracking in ETS and by using spreadsheets or through comments in ETS instead of the required process, which renders ETS obsolete. Additionally, due to system errors, postal inspectors manually

completed Forms 969, within their respective divisions, but did not forward the forms to the TSU program manager in accordance with

policy. We reviewed 91 Forms 969 that were manually completed in FY 2022 across all divisions and found that 49 (54 percent) were either illegible, missing required signatures, or did not identify the equipment to be disposed of. If ETS allowed the generation of Forms 969, and included the option to digitally sign the forms, they would be consistently legible, and the TSU program manager would have a record of final disposition for affected equipment.

Improving these system functionality issues will allow the Postal Inspection Service to account for all law enforcement surveillance equipment used by the Postal Inspection Service accurately and consistently.

Recommendation #9

We recommend the **Deputy Chief Inspector, Analytics and Investigations**, resolve Electronic/Technical Surveillance Tracking System functionality errors preventing users from temporarily transferring, temporarily assigning, and recording the final disposition of law enforcement surveillance equipment, including digital signature capability.

Management's Comments

Management agreed with the findings and recommendations 1, 3, 4, 5, 6, 7, 8, and 9, but disagreed with recommendation 2. See [Appendix B](#) for management's comments in their entirety.

Regarding recommendation 1, management stated they will develop training for ETS users on standard operating procedures to include the definition, use,

role and documentation of ES and TS equipment, and the use of ETS for such equipment. The target implementation date is November 30, 2024.

Regarding recommendation 2, management stated they have several verification processes in place for annual physical equipment inventories as described and required by the ISM. Specifically, the ISM outlines a verification process for ES equipment through annual physical inventory, compliance self-assessment, and domicile reviews.

Regarding recommendation 3, management stated they began reviewing users in ETS with assigned equipment and validating if they are active employees. They also stated that there will be efforts made to retrieve equipment from former Postal Inspection Service employees who are found to still have equipment in their possession. The target implementation date is November 30, 2024.

Regarding recommendation 4, management stated their policy requires them to update the ISM and other policies at least yearly. The definition of ES and TS equipment and the roles and responsibilities for such equipment will be included in the update. The target implementation date is November 30, 2024.

Regarding recommendation 5, management stated they will update the ISM to define TS equipment and describe the tracking and methods for maintaining this equipment. Management also stated that the updated ISM will also reflect changes to the reporting structure for the Radio Communications Program, remove references to the National Asset Tracking System, and include the relevant tracking systems. The target implementation date is November 30, 2024.

Regarding recommendation 6, management stated they will develop a standard operating procedure that will define roles and responsibilities in ETS and explain the appropriate roles for each user. The procedure will also outline the responsibilities of users designated to remove ETS users that no longer

“Divisions and domiciles implemented workarounds by temporarily transferring and assigning equipment without proper tracking in ETS.”

require access. The target implementation date is November 30, 2024.

Regarding recommendation 7, management stated that to create a standard operating procedure and update the ISM, they will review user roles in ETS and add additional roles as needed. The target implementation date is November 30, 2024.

Regarding recommendation 8, management stated they will review ETS to identify how audit logs would best suit the purposes of tracking activities when creating, assigning, editing, and removing users in ETS. Once completed, management stated they will submit a request to Technology Application Services for the creation of audit logs in ETS. The target implementation date is January 31, 2025.

Regarding recommendation 9, management stated they will create a list of functionality errors to include temporarily transferring, temporarily assigning, and recording the final disposition of ES equipment in ETS. Subsequently, management stated they will submit a request to Technology Application Services for resolution. The target implementation date is January 31, 2025.

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 3, 4, 5, 6, 7, and 8 and the actions planned to address these recommendations should resolve the issues identified in the report. We consider management's comments to recommendations 1, 2, and 9 as unresolved and will work with management through the formal audit resolution process.

Regarding recommendation 1, although management stated they will develop training for ETS users, they did not indicate they would maintain documentation of the completed training. Without the documentation, management will be unable to verify and track the training completion status for ETS users.

Regarding recommendation 2, although management has several processes in place to verify ES equipment, those processes do not address the verification of TS equipment. Management agreed to update the ISM to define, track, and maintain

TS equipment in response to recommendation 5. Therefore, the OIG believes a verification process that includes both ES and TS equipment in annual physical inventories is needed. Without proper tracking and oversight of all ES and TS equipment in ETS, management cannot properly account for and secure its equipment. Additionally, without an accurate representation of the inventory of ES and TS equipment, the Postal Inspection Service's equipment will be at risk of loss, misplacement, or theft.

Regarding recommendation 9, although management stated they will address functionality errors for ES equipment in ETS, they did not indicate whether they would address errors for TS equipment. Improving the system functionality for ES and TS equipment will allow management to account for all law enforcement surveillance equipment accurately and consistently.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All 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.

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit covered the Postal Inspection Service National Headquarters, five judgmentally selected Postal Inspection Service divisions, and five domiciles with the largest amount of ES and TS equipment. To accomplish our objective, we:

- Reviewed the final disposition of equipment nationwide from April 2009 through September 2023.
- Reviewed all Postal Service and Postal Inspection Service policies and procedures related to ES and TS equipment.
- Interviewed Postal Inspection Service officials at the Washington Division in Washington, DC, to understand law enforcement surveillance equipment processes and procedures.
- Interviewed TSU, Inspection Service Business Solutions, and Office of Counsel personnel, national coordinators, ES custodians, ES coordinators, inspectors in charge, and postal inspectors at five divisions and five domicile offices.
- Conducted site visits between March through May 2023 to these locations:
 - Postal Inspection Service National Headquarters
 - Technical Services Unit
 - Chicago Division
 - Irving Park Domicile
 - Carol Stream Domicile
 - Fort Worth Division
 - Los Angeles Division
 - New York Division
 - Flushing Queens Domicile
 - Morgan Domicile

- Philadelphia Division

- Newark Domicile

- Reviewed FY 2023 ETS inventory records as a follow-up to the analysis we performed during our site visits. Specifically, we reviewed records to identify equipment that was declared obsolete, moved to a different division, or assigned to a new postal inspector because of deficiencies we initially identified.
- Reviewed ETS user roles to determine if access was granted and limited based on a user's need to know and to determine if there was overlap in user responsibilities.

We conducted this performance audit from January 2023 through February 2024 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 January 16, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the Postal Service and Postal Inspection Service's internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following three components were significant to our audit objective: control activities, information and communication, and monitoring.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of ETS data by performing tests for data completeness, reasonableness, accuracy, and validity. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews within the last five years related to the objective of this audit.

Appendix B: Management's Comments



UNITED STATES POSTAL INSPECTION SERVICE

NATIONAL HEADQUARTERS

February 5, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: U.S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment (22-174-DRAFT)

Thank you for providing the Postal Inspection Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, *U.S. Postal Inspection Service's Inventory Controls Over Law Enforcement Surveillance Equipment*.

Finding #1: Inaccurate Tracking of Law Enforcement Surveillance Equipment

The Postal Inspection Service did not maintain an accurate and current inventory of its equipment in ETS in accordance with policies for the Postal Inspection Service National Headquarters, and the five divisions we visited.

Management Response:

Management **agrees** with this finding.

Finding #2: Lack of Procedures and Inadequate ETS System Controls

The Postal Inspection Service did not update its policies and procedures and establish ETS security controls to prevent, detect, and remediate unauthorized user access. Additionally, management did not take action to fix critical system functionality errors to effectively manage the equipment.

Management Response:

Management **agrees** with this finding.

Following are our comments on each of the nine recommendations.

Recommendation 1:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, develop, and require all users to complete Electronic/Technical Surveillance Tracking System training and maintain documentation of training completion.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management will develop a training on the Standard Operating Procedures to include the definition, use, role and documentation of Electronic Surveillance Equipment and Technical Surveillance Equipment, as well as use of the Electronic/Technical Surveillance Tracking System (ETS) for such equipment. The training will be for users of the ETS system.

Target Implementation Date: November 30, 2024

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WASHINGTON, DC 20260
www.uspis.gov

Responsible Official: Deputy Chief Inspector, Security and Crime Prevention

Recommendation 2:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, develop a verification process for annual physical equipment inventories to account for all equipment as required by the Inspection Service Manual.

Management Response/Action Plan:

Management **disagrees** with this recommendation.

Management currently has several verification processes in place for annual physical equipment inventories, as described and required by the ISM:

- ES Coordinators oversee the annual physical inventory of electronic surveillance (ES) equipment in their division and submit the results to TSU by March 31st of each year, ISM 6.3.7.1.
- ES Custodians perform this physical review of ES equipment and send to the ES Coordinators yearly, ISM 6.3.7.2.
- Each division must conduct a Compliance Self-Assessment (CSA) each year, certified by their INC, ISM 2.1.3.
- As part of the CSA, there is an Electronic Surveillance portion, where Questions 11 and 12 address the annual ES review by the ES Coordinator.
 - Question 11 specifically asks, did the division ES Coordinator oversee and document the required annual inventory of ES equipment, per ISM 6.3.7.1.
 - Question 12 specifically asks, did the ES Coordinator submit the annual inventory to the NPMES by March 31 deadline, per ISM 6.3.7.1.
- During annual Domicile Reviews, in the Self-Assessment section, questions B.13 and B.14 address the accountability of ES equipment.
 - Question B.13 specifically asks, does the postal inspector understand the requirement to properly return all ES equipment to the ES custodian upon completion of the Electronic Surveillance, per ISM 6.3.7.4.3.
 - Question B.14 specifically asks, if the Postal Inspector has assigned ES equipment, is it accounted for, per ISM 6.3.7.1.
- During annual Domicile Reviews, immediate supervisors will conduct a physical review of accountable property including ES equipment assigned to their team members, ISM 2.7.1.4.

Target Implementation Date: N/A

Responsible Official: N/A

Recommendation 3:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, 1) review all postal inspectors with assigned equipment and validate they are active employees, 2) retrieve equipment from postal inspectors who separated from the agency, and 3) update

the status and assignment of all equipment in the Electronic/Technical Surveillance Tracking System.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management has begun the process of reviewing users in ETS with assigned equipment and validating whether they are active employees. Along with the annual review of ES equipment, and Domicile Reviews, both of which are required by the ISM, there will also be a review of assigned equipment in ETS. Any deficiencies found on the status and assignment of equipment will be addressed by the appropriate management. If equipment is identified to be in possession of any former USPIS employees, there will be efforts made to retrieve this equipment.

Target Implementation Date: November 30, 2024

Responsible Official: Deputy Chief Inspector, Security and Crime Prevention

Recommendation 4:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, in coordination with the **Chief Counsel, Office of Counsel**, implement a process, including defining roles and responsibilities, to review and update Postal Inspection Service policies and related documents timely.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management has policy in place to update the ISM and other policies on at least a yearly basis. Included in this update will be the definitions of electronic surveillance (ES) and technical surveillance (TS) equipment and the roles and responsibilities for such equipment. With the introduction of training for ES/TS/the Electronic/Technical Surveillance Tracking System (ETS), there will be a yearly review of the Standard Operating Procedures and training for accuracy and updates.

Target Implementation Date: November 30, 2024

Responsible Officials: Deputy Chief Inspector, Security and Crime Prevention; and Chief Counsel, Office of Counsel

Recommendation 5:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, in coordination with the **Chief Counsel, Office of Counsel**, update the Inspection Service Manual to 1) define, track, and maintain technical surveillance equipment, 2) assign the Radio Communications Program to the Communications, Governance, and Strategy group, and 3) replace all references of the National Asset Tracking System with the correct equipment inventory system.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management will update the ISM to define Technical Surveillance Equipment and describe the tracking and methods of maintaining this equipment. The ISM will also be updated on the language involving the reporting structure of the Radio Communications Program, as well as removing references to the National Asset Tracking System (NATS) and ensure relevant tracking systems are enumerated.

Target Implementation Date: November 30, 2024

Responsible Officials: Deputy Chief Inspector, Security and Crime Prevention; and Chief Counsel, Office of Counsel

Recommendation 6:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, develop a standard operating procedure to assign Electronic/Technical Surveillance Tracking System user roles based on individuals' roles and responsibilities and to update or remove user roles when postal inspectors transfer jobs or separate from the agency. In addition, review current users of the system and determine if the roles need to be modified or removed in accordance with Postal Service policy.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management will develop a Standard Operating Procedure, which will define roles and responsibilities in ETS, as well as explain the appropriate roles for each user. This will include outlining responsibilities of designated users to remove users from ETS who no longer need access. The Postal Inspection Service is currently conducting a review of all user's role in ETS, and modifications to user roles will be made as needed.

Target Implementation Date: November 30, 2024

Responsible Official: Deputy Chief Inspector, Security and Crime Prevention

Recommendation 7:

We recommend the **Deputy Chief Inspector, Security and Crime Prevention**, review user roles in the Electronic/Technical Surveillance Tracking System and implement additional roles, as needed, to allow for the appropriate segregation of duties.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management will review the roles in Electronic/Technical Surveillance Tracking System (ETS) as part of the creation of the Standard Operating Procedures and ISM updates and add additional roles as needed.

Target Implementation Date: November 30, 2024

Responsible Official: Deputy Chief Inspector, Security and Crime Prevention

Recommendation 8:

We recommend the **Deputy Chief Inspector, Analytics and Investigations**, implement audit logs containing user activity for creating, assigning, editing, and removing user roles in the Electronic/Technical Surveillance Tracking System.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management will review the Electronic/Technical Surveillance Tracking System (ETS) and identify how audit logs would best suit the purposes of tracking activity in ETS when creating, assigning, editing, and removing users. Upon completion of the review, a request will be submitted to Tech Application Services for creation of audit logs for ETS.

Target Implementation Date: January 31, 2025

Responsible Official: Deputy Chief Inspector, Analytics and Investigations

Recommendation 9:

We recommend the **Deputy Chief Inspector, Analytics and Investigations**, resolve Electronic/Technical Surveillance Tracking System functionality errors preventing users from temporarily transferring, temporarily assigning, and recording the final disposition of law enforcement surveillance equipment, including digital signature capability.

Management Response/Action Plan:

Management **agrees** with this recommendation.

Management will create a list of functionality errors in the Electronic/Technical Surveillance Tracking System (ETS) including temporarily transferring, temporarily assigning, and recording the final disposition of ES equipment, and submit a request to Tech Application Services for resolution.

Target Implementation Date: January 31, 2025

Responsible Official: Deputy Chief Inspector, Analytics and Investigations



Peter R. Rendina
DCI, Security and Crime Prevention

Craig
Goldberg

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DCI, Analytics and Investigations

cc: *Corporate Audit & Response Management*

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