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OFFICE OF THE INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

November 15, 2016

Mr. John Greenewald
The Black Vault

via email: john@greenewald.com

RE: FOIA No. 2017-IGFP-00028

Dear Mr. Greenewald:

This responds to your October 18 Freedom of Information Act (FOIA) request to the Office of Inspector General (OIG) for a copy of OIG Management Alert – [Redacted] International Mail Operations – [Redacted] International Service Center , dated September 28, 2016.

I located the document which consists of 10 pages. I determined the document is appropriate for release with redactions made under FOIA Exemptions (b)(3)^[1] and (b)(6)^[2], 5 U.S.C. § 552(b)(3), and (b)(6).

If you have any questions regarding the processing of this request you may contact me and/or the FOIA Public Liaison at 703-248-2100. You may also contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services they offer. The contact information for OGIS is: Office of Government Information Services, National Archives and Records Administration, Room 2510, 8601 Adelphi Road, College Park, Maryland 20740-6001, e-mail at ogis@nara.gov; telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

If you are not satisfied with my action on your FOIA request, you may administratively appeal this partial denial. To do so, write to the attention of Gladis Griffith, Deputy General Counsel, 1735 N. Lynn Street, Arlington, VA 22209-2020, within 90 days of the date of this letter. We accept written appeals via U.S. Mail; e-mail to FOIA@uspsog.gov; or fax to 703-248-4626. Include the initial request number (e.g., 20XX-IGXX-00XXX) and the date of this letter. Explain what specific action the FOIA Office took that you are appealing. Mark all correspondence "Freedom of Information Act Appeal."

^[1] Exemption (b)(3) provides that agencies may withhold records that are exempted from disclosure by another statute that "establishes particular criteria for withholding or refers to particular types of matters to be withheld." Title 39 U.S.C § 265.6, 410(c)(2) provides that "information of a commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice would not be publicly disclosed," is exempt from the disclosure requirements of the FOIA. This exemption was enacted as part of the Postal Reorganization Act of 1970 and operates both independently and as an exempting statute within the scope of Exemption 3.

^[2] Exemption (b)(6) pertains to information the release of which would constitute a clearly unwarranted invasion of the personal privacy of third parties. The withheld material includes names, titles, and identifying information of private citizens. This information is not appropriate for discretionary disclosure.

Sincerely,

Kathy Kikel
Government Information Analyst




OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 28, 2016

MEMORANDUM FOR:

(b)(3):39 USC 410 (c)(2),(b)(6)
PLANT MANAGER, (b)(3):39 USC 410 (c)
SERVICE CENTER

(b)(3):39 USC 410 (c)(2),(b)(6)
DISTRICT MANAGER, (b)(3):39 USC 410 (c) DISTRICT

E-Signed by Janet Sorensen
VERIFY authenticity with eSign Desktop


FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery and Marketing

SUBJECT: Management Alert – (b)(3):39 USC 410 (c)(2) International Mail Operations –
(b)(3):39 USC 410 (c)(2) International Service Center
(Report Number MS-MT-16-004)

This management alert presents the results of our review of (b)(3):39 USC 410 (c)(2) International Mail Operations – (b)(3):39 USC 410 (c)(2) International Service Center (Project Number 16RG016MS003). We are issuing this alert to facilitate immediate corrective actions (b)(3):39 USC 410 (c)(2) These issues present (b)(3):39 USC 410 (c)(2) concerns to the U.S. Postal Service, (b)(3):39 USC 410 (c)(2) (b)(3):39 USC 410 (c)(2)

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Joe Wolski, director, Retail, Marketing and International, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

Introduction

The purpose of this management alert is to (b)(3):39 USC 410 (c)(2) (b)(3):39 USC 410 at the U.S. Postal Service's (b)(3):39 USC 410 International Service Center (b)(3):39 USC 410 (c)(2) (ISC) that require your immediate attention. We observed these (b)(3):39 USC 410 during site visits we made to the ISC in June 2016 as part of our (b)(3):39 USC 410 (c)(2) *International Mailings* review. We met with ISC managers and clerks and reviewed applicable Postal Service policies and procedures related to the specific issues contained in this alert.

ISCs receive (b)(3):39 international mail from foreign countries and distribute and dispatch international mail received from a designated service area to specific foreign countries or to gateway exchange offices.¹ The Postal Service operates ISCs in (b)(3):39 USC 410 (c)(2). All (b)(3):39 international mail is subject to U.S. Customs and Border Protection (CBP) inspection. The Postal Service must coordinate with CBP to ensure that all (b)(3):39 international mail requested by CBP is presented for inspection and radiation screening.³

CBP officers have direct responsibility for monitoring incoming international mail to ensure that it does not present a health risk and is safe for processing.⁴ CBP's approach is aligned with the president's National Strategy for Global Supply Chain Security, which calls for the protection of a global supply chain system that supports innovation and prosperity by securely, timely, and reliably moving goods across our borders and around the world.⁵

Typically, (b)(3):39 USC 410 (c)(2) The (b)(3):39 ISC, however, is (b)(3):39 USC 410 (c)(2). In fiscal year (FY) 2015, about 219 million pieces of international mail⁶ entered the U.S. from foreign countries. The (b)(3):39 ISC received about (b)(3):39 USC 410 (c)(2) or about (b)(3):39 of these mailings.

¹ Gateway exchange offices perform similar functions as ISCs. They distribute and dispatch international mail received from a designated service area in addition to low-volume mail received from ISCs.

² Each ISC processes different categories of mail for different regions of the world.

³ Code of Federal Regulations, Title 19, Customs Duties, April 1978, Section 145.2 (Mail Subject to Customs Examination). *International Mail Manual*, October 2013, Section 711.1 (What Is Subject to Examination); Handbook T-5, *International Mail Operations*, May 2015, Section 381 (Mail Requiring Customs Treatment), CBP response dated June, 2015.

⁴ USPS Mandatory Stand-Up Talk, Security Measures in Place to Safeguard You and the Mail, March 17, 2011.

⁵ CBP Performance and Accountability Report FY 2014.

⁶ For the purposes of this report, we focused on international mailings such as Express Mail, Priority Mail, parcels, and other mailings that are inspected by CBP and refer to them as "mailings" or "mail" throughout the report. We excluded (b)(3):39 international letters and flats.

Conclusion

We found mail handling and facility (b)(3):39 USC 410 (c)(2) at the (b)(3):39 ISC. Specifically, the Postal Service is (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

We

estimate the Postal Service incurred \$557,738 in questioned costs related to (b)(3):39 USC 410 (c)(2) in FY 2015.

We also determined that (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

Radiation Screening

While a (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

Figure 1. (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

(b)(3):39 U.S. Postal Service Office of Inspector General (OIG) picture taken June 7, 2016, at the (b)(3) ISC.

(b)(3):39 USC 410 (c)(2)

CBP is (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

All (b)(3):39 international mail is to be presented to CBP for (b)(3):39 USC 410 (c)(2)
(b)(3):39 USC CBP inspects mail in a designated area within the ISC using radiation
screening, X-ray, and visual and physical inspection. Postal Service officials contacted
CBP's (b)(3):39 USC 410 port director in May 2015 about (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2) related site survey is planned for October 2016.

Failure to address these issues presents (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

In addition, the Postal Service incurs (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

The Postal Service spent
\$1,050,530 in questioned costs for this (b)(3):39 USC 410 in FY 2015 and through the first
10 months of FY 2016.

(b)(3):39 USC 410 (c)(2)

While conducting on-site interviews, we were informed that (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

The Postal Service is required to ensure that only authorized, on-duty Postal Service
employees and contractors have access to all workroom and restricted areas. All other
individuals may only enter these areas if they have legitimate business and are properly
escorted.¹⁰

(b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

¹⁰ S58 – 5.2.2 Access Control Systems for Employees, Visitors, Service Providers and Vendors and ASM 273.121
Limitations.

(b)(3):39 USC 410 (c)(2)

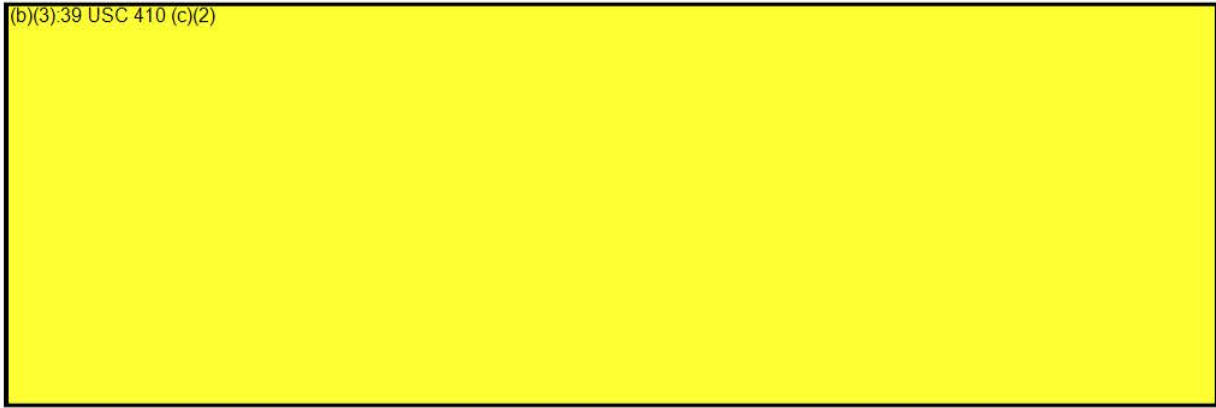
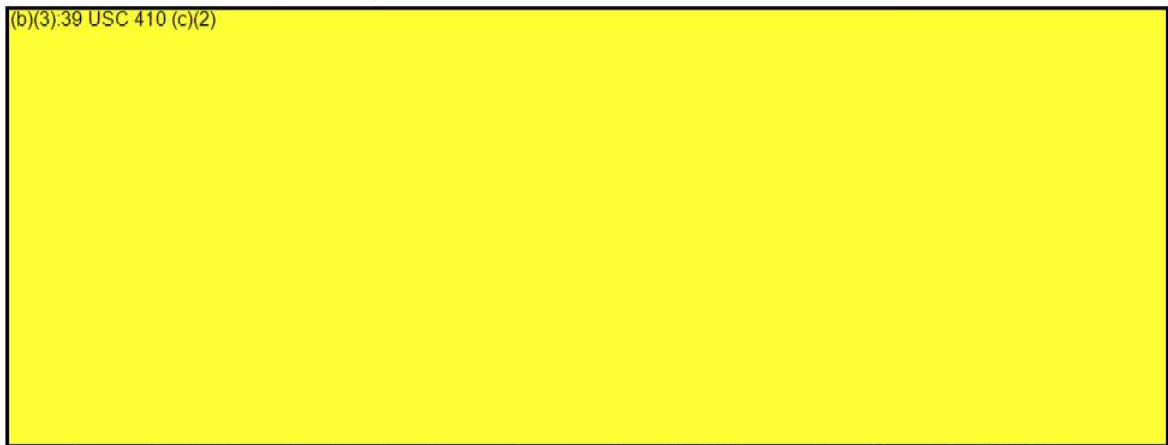



Figure 2. (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)



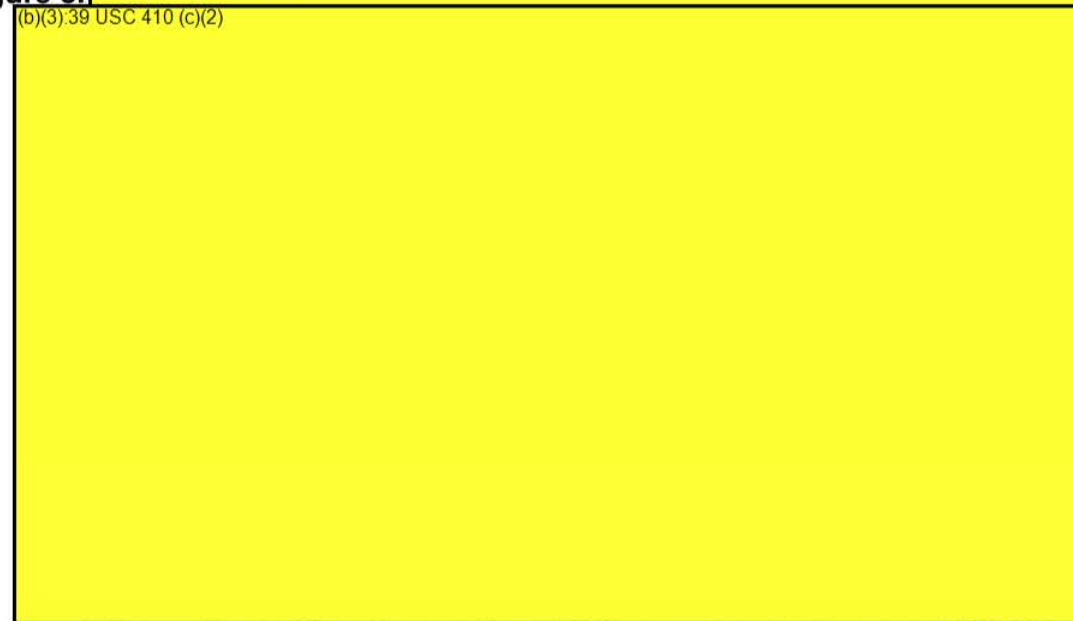
Source: Postal Inspection Service pictures taken from May 20, 2016, security review at the (b)(3):39 USC ISC.

(b)(3):39 USC 410 (c)(2)



¹³ These annual inspections are performed as part of the Postal Service's Vulnerability Risk Assessment Tool (VRAT). The tool identifies risk and vulnerabilities at postal facilities. VRAT replaces all previous risk assessment tools.

Figure 3. (b)(3):39 USC 410 (c)(2)
(b)(3):39 USC 410 (c)(2)



Source: U.S. Postal Service Office of Inspector General (OIG) picture taken June 7, 2016, at the (b)(3):39 ISC.

The Postal Inspection Service recommended the following corrective actions:

- Developing and implementing a documented procedure for (b)(3):39 USC 410 (c)(2) (b)(3):39 USC 410 (c)(2) such as a checklist that would document the inspections and any deficiencies noted.
- (b)(3):39 USC 410 (c)(2)
- Properly using (b)(3):39 USC 410 (c)(2) (b)(3):39 USC 410 (c)(2) was also suggested to satisfy the security requirement and to alleviate any potential postal operational concerns.

Management was receptive to the findings documented in the Inspection Service report. Subsequent to our visit, management took the following corrective actions:

- (b)(3):39 USC 410 (c)(2)
-
-

We continue to recognize management's efforts to enhance (b)(3):39 USC 410 (c)(2) (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

Recommendations

We recommend the district manager for the (b)(3):39 USC 410 (c)(2) District:

1. Coordinate with U.S. Customs and Border Protection officials to evaluate solutions to mitigate (b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2)

(b)(3):39 USC 410 (c)(2) with Customs and Border Protection.

We recommend the plant manager at the (b)(3):39 USC 410 (c)(2) International Service Center:

2. (b)(3):39 USC 410 (c)(2)
(b)(3):39 USC 410 (c)(2) comply with U.S. Postal Inspection Service (b)(3):39 USC 410 (c)(2) recommendations.

Management's Comments

Management agreed with our findings, recommendations, and monetary impact.

Regarding recommendation 1, management stated that prior to the OIG recommendation, the Postal Service's International Operations group in headquarters coordinated with CBP to conduct radiation portal site surveys at identified ISCs including the (b)(3):39 USC 410 (c)(2) ISC during the week of October 17, 2016. Based on the survey findings for the (b)(3):39 USC 410 (c)(2) ISC, management will evaluate options to mitigate the (b)(3):39 USC 410 (c)(2) in collaboration with CBP. Management also stated CBP has jurisdictional authority over the site location decisions for the radiation portal monitors. Management stated the target implementation date for evaluating these solutions is October 17, 2016.

Regarding recommendation 2, management stated it has worked through the Inspection Service for a security assessment, which resulted in the approval of additional resources to address (b)(3):39 USC 410 (c)(2) and ensure the facility is in compliance with existing security policies. Management stated the planned implementation date for these additional resources is November 15, 2016.

In subsequent correspondence, management agreed with the \$1,050,530 in costs for (b)(3):39 USC 410 (c)(2) in FY 2015 and through the first 10 months of FY 2016.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and the corrective actions should address the issues identified in the report. The recommendations still require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. The recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendix A. Management's Comments



September 21, 2016

Memorandum For: (b)(3):39 USC 410 (c)
Director, Audit Operations

Subject: Response to the OIG audit dated September 6, 2016
Project Number: 16RG016MS003

OIG Recommendation: We recommend the District Manager for the (b)(3):39 USC District:
Coordinate with U.S. Customs and Border Protection officials to evaluate solutions (b)(3):39 USC
(b)(3):39 USC 410 (c)(2)
(b)(3):39 USC 410 (c)(2) with Customs and Border
Protection.

The USPS agrees with recommended improvement opportunity. It should be noted that prior to the OIG recommendation, the USPS (HQ International Operations) coordinated with US Customs and Border Protection (CBP) to (b)(3):39 USC 410 (c)(2) at identified ISCs including (b) (scheduled for the week of October 17, 2016). Based on the findings of the (b) CBP (b)(3):39 USC 410 (c)(2) the USPS (HQ International Operations) will evaluate options in collaboration with CBP to mitigate the risk of (b)(3):39 USC 410 (c)(2). We recognize the (b)(3):39 USC 410 (c)(2) (b) is under CBP jurisdictional authority and therefore would have to be handled at the Headquarters level.

Responsible Manager: HQ International Operations, Cheri DeMoss, a/Director Global Trade Compliance. Target Date: October 17, 2016

OIG Recommendation: We recommend the (b)(3):39 USC 410 (c)(2) International Service Center Establish (b)(3):39 USC 410 (c)(2) at the (b)(3):39 USC 410 International Service Center to eliminate (b)(3):39 USC 410 (c)(2) and comply with U.S. Postal Inspection Service (b)(3):39 USC 410 recommendations.

The USPS agrees with recommendation and has worked through the US Postal Inspection Service (USPIS) for a security assessment which resulted in approval of additional resources that will (b)(3):39 USC 410 (c)(2)
(b)(3):39 USC 410 (c)(2)

Responsible Manager: (b)(3):39 USC 410 (c)(2) Postal Police
Target Date: November 15, 2016

Based on our discussion, we are requesting any items related to security be redacted from the final document.

(b)(3):39 USC 410 (c)(2)
(b)(3):39 USC 410 (c)(2) International Service Center

cc: (b)(3):39 USC 410 (c)(2)
Freemont Rigel, a/ Executive Director International Operations