

2003 Annual Report of Investigations

*Ensuring America's
confidence in the
U.S. Mail for more
than 200 years*



United States Postal Inspection Service

A Message from the Chief Postal Inspector



February 2004

I am pleased to present this 2003 Annual Report of Investigations of the United States Postal Inspection Service to our key stakeholders: the United States Postal Service, the Postal Service's Board of Governors, members of Congress, and the American public.



The mission of the U.S. Postal Inspection Service is to protect the U.S. Mail, postal employees, postal customers, and

postal assets, but security efforts headed our list of concerns this past fiscal year. Selected Postal Inspectors were trained to handle incidents of biohazards in the mail, a new Emergency Preparedness and Homeland Security Group was created, and Dangerous Mail Response Teams were deployed—all marking new directions for the Postal Inspection Service in FY 2003. A Security Force Transformation Plan will improve the use of armed personnel, integrate unarmed personnel into the workforce, consolidate existing Control Center operations, and reduce costs overall.

U.S. Postal Inspectors in FY 2003 arrested 11,161 criminal suspects, with 56 percent of the arrests for mail theft. Inspectors investigated 3,150 mail fraud cases, arrested 1,453 fraud suspects, and responded to

approximately 80,000 consumer fraud complaints. As members of the Department of Justice's Corporate Fraud Task Force, Postal Inspectors played key investigative roles in numerous high-profile fraud cases. Mail fraud investigations resulted in approximately \$2 billion in court-ordered and voluntary restitution, and 764 civil or administrative actions. In addition to numerous cases involving bombs, threats, and suspicious items in the mail, Postal Inspectors arrested 320 suspects for child sexual exploitation and obscenity offenses related to the mail, and 1,378 suspects for drug trafficking and money laundering via the mail.

Protecting the U.S. Postal Service's revenue and assets is integral to the mission of the Postal Inspection Service. Through our investigations of workers' compensa-

tion fraud in FY 2003, Postal Inspectors reported \$162.3 million in long-term and continuation-of-pay cost-avoidance savings for the Postal Service.

Improved recruitment and applicant processing resulted in the hiring of 225 new Postal Inspectors. The new Inspectors represent diversity in every sense of the word and will be a welcome addition to our agency.

The U.S. Postal Inspection Service is proud of its accomplishments. We will continue to build on our strengths—safeguarding the safety, security, and integrity of the U.S. Postal Service, postal employees, and postal assets—to ensure the confidence of all Americans in the U.S. Mail.

A handwritten signature in blue ink, reading "L. R. Heath".

L. R. Heath

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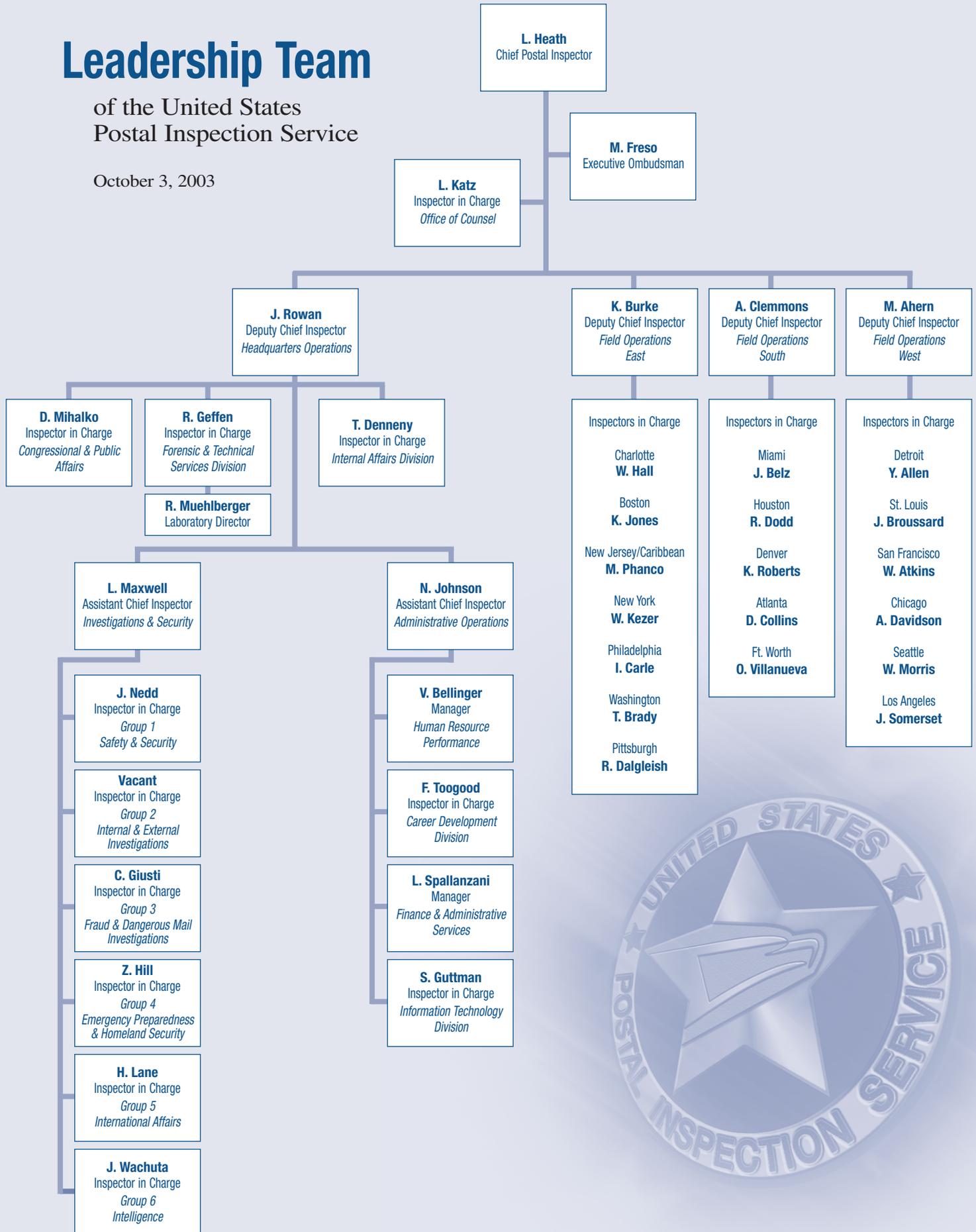


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Leadership Team

of the United States
Postal Inspection Service

October 3, 2003



Introduction

As one of our country's oldest federal law enforcement agencies, founded by Benjamin Franklin, the United States Postal Inspection Service has a long, proud, and successful history of fighting criminals who attack our nation's postal system and misuse it to defraud, endanger, or otherwise threaten the American public. As the law enforcement and security arm of the United States Postal Service, the U.S. Postal Inspection Service is a highly specialized, professional organization, performing

investigative and security functions essential to a stable and sound postal system.

Congress empowered the Postal Service "to investigate postal offenses and civil matters relating to the Postal Service." Through its security and enforcement functions, the Postal Inspection Service provides assurances to American businesses for the safe exchange of funds and securities through the U.S. Mail; to postal customers of the "sanctity of the seal" in transmitting correspondence and messages; and to postal employees of a safe work environment.

As fact-finding and investigative agents, Postal Inspectors are federal law enforcement officers who carry firearms, make arrests, execute federal search warrants, and serve subpoenas. Inspectors work closely with U.S. Attorneys, other law enforcement agencies and local prosecutors to investigate postal cases and prepare them for court. There are approximately 1,970

Postal Inspectors stationed throughout the United States who enforce roughly 200 federal laws covering investigations of crimes that adversely affect or fraudulently use the U.S. Mail and postal system.

To assist in carrying out its responsibilities, the Postal Inspection Service maintains a Security Force staffed by roughly 1,100 uniformed Postal Police Officers who are assigned to critical postal facilities throughout the country. The officers provide perimeter security, escort high-value mail shipments, and perform other essential protective functions.

The Postal Inspection Service operates four forensic crime laboratories strategically located in cities across the country. The labs are staffed with forensic scientists and technical specialists, who assist Inspectors in analyzing evidentiary material needed for identifying and tracking criminal suspects, and in providing expert testimo-

ny for cases going to trial.

The Postal Inspection Service's approximately 800 professional and technical employees, who include forensic specialists, information technology experts, financial analysts and others, play a vital role in supporting the criminal investigative and security functions of the Postal Inspection Service. They perform a wide variety of tasks, including developing and upgrading information systems, providing forensic examinations of evidence, deploying electronic security and surveillance equipment, publishing policy handbooks and consumer-awareness guides, supplying photography and video services, and facilitating direct communications with Congress and the public.

The National Headquarters offices of the Postal Inspection Service are organized in functional groups that report to the Deputy Chief Inspector for Headquarters Operations. The Postal Inspection Service has 18 field divisions, which report directly to three Deputy Chief Inspectors for field operations. Field offices are supported by four Inspection Service administrative service centers. The National Leadership Team includes four Deputy Chief Inspectors, two Assistant Chief Inspectors, Inspectors in Charge, and Postal Career Executive Service Managers.

The Postal Inspection Service's national information technology infrastructure supports about 4,200 users at



more than 180 sites nationwide. Its offices are linked nationally via a dedicated frame-relay network, with online connections to the Postal Service, the National Crime Information Center, the National Law Enforcement Telecommunications System, and the Internet.

The Internal Affairs Division's mission is to promote integrity and excellence in the Postal Inspection Service through independent internal investigations of its employees and protect the safety of postal employees and customers by providing security and preventive services at National Headquarters.

The Office of Counsel provides legal advice and services in support of Postal Inspection Service investigations, programs, and goals; processes requests for access to Inspection Service records; and provides legal train-

ing to Postal Inspection Service personnel. The Counsel's office comprises 20 Inspector-Attorneys supported by an administrative staff that includes paralegals, information disclosure specialists, a labor relations analyst, a program specialist, and an administrative support specialist.

Charged with managing the Postal Inspection Service's internal and external communications, staff from Congressional and Public Affairs (C&PA) issue news and video releases covering investigations or events of national interest, and publications with preventive and informational tips related to mail fraud and other mail crimes for postal employees and the public.

C&PA personnel represent Postal Inspection Service interests on Capitol Hill and in liaison activities with other government, law enforcement, and consumer agencies. C&PA's

Internet Web site provides weekly investigative news and consumer-oriented tips. Postal customers may report suspected incidents of mail fraud online. An Intranet Web site, maintained by the Information Technology Division, facilitates confidential employee communications nationwide.

The U.S. Postal Inspection Service extends full cooperation to all federal, state, and local investigative and prosecutive authorities in law enforcement matters to ensure greater protection to the public. Postal Inspectors regularly participate in joint task force investigations with other agencies aimed at curtailing widespread criminal acts of an organized nature.

For more information on the Postal Inspection Service, visit our Web site at www.usps.com/postalinspectors.

Most rewarding aspect of being a federal executive:

"Knowing that almost every decision you make and action you take impacts peoples' lives, and your decisions and actions can add value to their everyday life, whether it be postal employees or the general public."

Best career advancement advice received:

"Work hard at whatever assignment you are given and take advantage of every opportunity that comes your way. Do not sell yourself short and never self-restrict your opportunities for advancement."

Advice for your successor:

"No matter what you think is important, remember the people side of the business. As a leader, always treat people with dignity and respect. Give them what they need to do their job. Reward and recognize good performance. Deal with poor performance timely, fairly and consistently."

—From the Federal Times interview with Chief Postal Inspector Lee Heath, "Fighting Fraud, Theft and Terror in the Mail."