Annual Report









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Who We Are

If it has anything to do with preserving the safety, security, and integrity of the nation's mail system from criminal misuse, we do it. And we've been doing it successfully since our inception 245 years ago, on August 7, 1775. The U.S. Postal Service[®] backs its mail service with the protection of its own federal law enforcement agency — the U.S. Postal Inspection Service[®]. We are the primary law enforcement, crime prevention, and security arm of the Postal Service. We provide the investigative and security resources that ensure America's confidence in the U.S. Mail. It's our mission: 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.

We work to ensure that American businesses can safely dispatch funds, securities, information, and physical goods through the mail; that postal customers can entrust their correspondence to the mail; and that postal employees can work in a safe environment.

Our Postal Inspectors are federal law enforcement officers who carry firearms, make arrests, execute federal search warrants, and serve subpoenas. The approximately 1,300 Inspectors enforce roughly 200 federal laws covering crimes that include fraudulent use of the U.S. Mail and the postal system. Our Security Force of over 500 armed, uniformed Postal Police Officers is assigned to protect postal facilities. Our national information technology infrastructure supports users at nearly 200 sites nationwide, and our offices are linked nationally via a private law enforcement network. Our more than 550 professional, technical, and administrative personnel support the effort nationwide and at the National Forensic Laboratory. There, a state-of-the-art facility is staffed by highly trained forensic scientists and technical specialists who play a key role in identifying, apprehending, prosecuting, and convicting individuals responsible for postal-related criminal offenses. They also provide scientific and technical expertise to the criminal and security investigations of the Postal Inspection Service.

Our Postal Inspectors investigate postal-related crimes, such as mail theft, identity theft, mail bombs, postal robberies, and burglaries. And they protect against the use of the mail to launder drug money, defraud customers, traffic in illegal drugs, and exploit children.

The security part of the mission means ensuring postal employees, customers, and some 32,000 postal facilities are safe from criminal attack. Whether dealing with mail thieves in colonial times, stagecoach robbers in the 1800s, gangsters in the 1930s, the Unabomber in the 1980s and '90s, anthrax mailings in 2001, or illegal opioid shipments today — Postal Inspectors are there.



GARY R. BARKSDALE

Chief Postal Inspector

Message from the Chief

If the year 2020 could be summed up in one word, many of us who lived through it might choose "pandemic," "unrest," or, more broadly, "adversity." It has, indeed, been a difficult year for the nation and the world—one rife with challenges and setbacks. We faced a global pandemic and local quarantines, nationwide protests, and economic struggles. Yet the events of the past year have taught us much about what people can accomplish in times of crisis. As Albert Einstein once said, "Adversity introduces a man to himself."

This is also true of organizations, and certainly true of the Postal Inspection Service. This year, we tackled each challenge that arose with resolve and decisive action, revealing that we are stronger, more adaptable, and more committed to our mission than ever. In spite of unprecedented difficulties, our almost 2,500 employees never wavered in their efforts, ensuring the safety and security of over 630,000 postal employees who process and deliver the nation's mail, the millions of customers they serve, and the essential goods and information they deliver.

So the word I would choose for 2020 is "resilience" the trait our organization so clearly exemplifies. It's my honor and privilege to recognize the dedication of our employees, as well as our most significant accomplishments, in this 2020 Annual Report of Investigations.

This report details only some of the many efforts of Postal Inspection Service employees during Fiscal Year 2020. During the reporting period—in spite of unprecedented challenges—we went to remarkable lengths to keep the nation's mail system safe and secure for the American public.

The report also showcases their commitment to our mission: 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 trust in the mail. Moreover, this report records both our response to an extraordinary national crisis and how, during that crisis, we maintained focus on our "ordinary" duties and responsibilities to the Postal Service and the public.

Just one example is our work in the traditional "core" investigative programs of mail theft and mail fraud. When Congress passed a historic stimulus bill in the spring, we were there protecting Economic Impact Payments, commonly known as stimulus checks, in the mailstream.

Further, we partnered with the FBI, Homeland Security Investigations, U.S. Secret Service, and other federal agencies to target the "money mules" that scammers rely on to carry out various schemes, from Jamaican lottery scams to elder fraud schemes. And we aggressively investigated a new breed of scams offering fake cures and preventative treatments for the novel coronavirus.

While the nation and world focused on a global pandemic, our Contraband Interdiction and Investigations group continued its important work to fight an ongoing epidemic of opioid abuse and trafficking. During the reporting period, we arrested 2,220 suspects on drug-trafficking charges, seized 124,000 pounds of narcotics, and confiscated \$39 million in illicit proceeds.

We also continued to press forward on the prevention front, with consumer education programs that inform the American public about common fraud schemes and how to avoid becoming a victim. Our successful partnership with AARP and the FTC on "Operation Protect Veterans" entered its third year of exposing scams that target members of the military. We also responded to new scams related to COVID-19 with public service announcement videos, gaining over half a million views on social media platforms.

Protecting postal employees remains one of our highest priorities. Our Postal Inspectors aggressively investigate all violent crimes against employees and, during this reporting period, responded to 7,190 reports of violent activity, from threats to assaults, and including two homicides of on-duty USPS employees.

This spring, the nation saw widespread civil unrest, which brought an added risk to some of our employees. Inspection Service personnel evacuated Postal Service personnel and secured mail in high-risk areas and rescued a postal employee who became trapped in a Post Office during civil unrest. Thanks to these efforts, none of our employees were injured during the civil unrest.

Many Americans will remember 2020 as one of the most difficult and turbulent periods in a generation. I will remember it as the year our organization was tested time and again and passed every trial. And I'm reminded of another quote, this one from Martin Luther King, Jr., who said: "The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands in times of challenge and controversy."

I am confident that the accomplishments detailed in this report make abundantly clear that we stand resilient, agile, and firmly fixed on our mission to protect the Postal Service and the American public—and that the ultimate measure of the men and women of the United States Postal Inspection Service is of the highest caliber.

Gary R. Barksdale

Meet Our Leaders



ROBERT B. WEMYSS Deputy Chief Inspector Eastern Field Operations



PATRICIA ARMSTRONG Acting Deputy Chief Inspector Western Field Operations



DAVID G. BOWERS Deputy Chief Inspector Strategic Initiatives



CRAIG GOLDBERG Deputy Chief Inspector Headquarters Operations



SANDRA L. SPECTOR Inspector in Charge Office of Counsel



JEANNINE GRAHAM Director Business Operations

The Executive Committee of the U.S. Postal Inspection Service considers and sets the organizational direction of the agency, focusing on all matters encompassing strategic planning, policy development, investment and risk programs, workplace issues, and succession planning. The members also serve as a liaison to the U.S. Postal Service's leadership team and other law enforcement and investigative agencies. Committee members include the Chief Postal Inspector, the Deputy Chief Inspectors, the Inspector in Charge of the Office of Counsel, and the Director of Business Operations.

Fighting Mail Fraud

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U.S. Postal Inspectors investigate crimes in which the U.S. Mail is used to further a scheme — whether the scheme originated in the mail, by telephone, or on the Internet. Any use of the U.S. Mail to defraud another of money or property constitutes mail fraud. Since the Mail Fraud Statute was passed in 1872, we have vigorously pursued mail fraud in all its forms. In 2020, despite the unprecedented challenges brought by COVID-19 and more, that mission continues.

Money Mule Initiative

A "money mule" is an individual who receives funds from fraud victims and transfers those funds to an individual or individuals facilitating a fraud scheme. Money mules are frequently used in such fraud schemes as Jamaican lottery scams, romance scams, tech support scams, and elder fraud schemes. More and more, they are becoming critical to the underground banking system and the movement of victim funds.

Because of the vital role money mules play in facilitating fraud, the Postal Inspection Service has dedicated significant efforts to combating their activities. Our efforts include enforcement, prevention, and private-sector engagement. In FY 2020, we collaborated with Europol in the Hague, Netherlands, to spearhead the EMMA 5 initiative. We also worked with the Federal Bureau of Investigation (FBI) and the U.S. Department of Justice Consumer Protection Branch (DOJ CPB) to coordinate the U.S. Money Mule Initiative. Other agencies participating included the U.S. Secret Service (USSS), the Social Security Office of Inspector General, the United States Treasury Inspector General for Tax Administration, Homeland Security Investigations, and the Internal Revenue Service Criminal Investigation Division.

Our participation in the U.S. Money Mule Initiative was coordinated by the Mail Fraud Program and the DOJ Transnational Elder Fraud Strike Force Team. All 17 Postal Inspection Service field divisions participated in this initiative through a variety of activities, including the service of unlicensed money transmitter "warning letters," "knock and talks" with suspected money mules, criminal case openings, the return of victim funds, and arrests.

Coronavirus/COVID-19 Pandemic

Scammers commonly perpetrate consumer fraud and other types of fraud during times of national crises (e.g., 9/11, Hurricane Katrina, etc.). In early March 2020, many COVID-19-related schemes surfaced as scammers attempted to exploit the international nature of the pandemic, its scope, and rising fear within the American public. These schemes included fake cures and treatments, unapproved COVID-19 testing kits, counterfeit medical equipment, imposter scams (WHO, CDC, NIH), charity scams, loan modification scams, advance fee schemes, stimulus payment consumer fraud schemes, investment/ securities fraud, and health care fraud.

Our Criminal Investigations Group (CIG) and the Mail Fraud Program immediately shifted focus and resources to deal with these schemes. We continue to take an active role in investigating and disrupting coronavirus/COVID-19-related scams, both at the field division level and through our own Transnational Fraud Team assigned to the DOJ CPB, which has been tasked by the DOJ to provide leadership on emerging COVID-19-related scams.

Georgia Man Sentenced for Selling Fake COVID Cure

On August 4, 2020, a business owner pleaded guilty in federal court in the Northern District of Georgia to one count of knowingly distributing and selling a misbranded pesticide device. On the same day, the defendant was sentenced to a probation term of 24 months and ordered to pay restitution in the amount of \$9,300, as well as close down his air purification business. The investigation determined the company, Pure Life Water, LLC (PLW), and its owner solicited consumers via postcards sent by U.S. Mail to more than 5,700 individuals. The postcards falsely advertised the company had a machine that could "Kill COVID-19 and coronavirus." This prosecution was the result of an investigation by the Postal Inspection Service's Atlanta Division, along with the Environmental Protection Agency-Criminal Investigations Division and Homeland Security Investigations (HSI) as part of the U.S. Attorney's Office COVID-19 Task Force.

Hoarding/Price Gouging Initiative

As a result of the coronavirus/COVID-19 pandemic, certain high-demand essential medical supplies needed for medical and emergency personnel have become scarce. It is suspected that some individuals and/or businesses are hoarding personal protective equipment (PPE), such as N95 masks and ventilators. It is also suspected that, in some cases, those hoarding PPE and medical supplies are overcharging customers for these items, referred to as "price gouging." On March 24, 2020, the U.S. Attorney General established the DOJ COVID-19 Hoarding/Price Gouging Task Force. The Postal Inspection Service is an active member of this task force, which is led by the U.S. Attorney's Office in the District of New Jersey. Each U.S. Attorney's Office has designated a prosecutor as a member of the task force, and their mission is separate from DOJ's efforts to combat coronavirus/COVID-19related consumer fraud. Specifically, the task force goals are to first identify, locate, and take custody of designated "scarce items." Second, they aim to prosecute individuals who illegally hoard and/or price gouge "scarce items."

The acts of either price gouging and/or hoarding of "scarce items" in excess of reasonable needs, or for the purpose of selling in excess of prevailing market rates, is in violation of the Defense Production Act (DPA), Title 50 U.S.C. § 4512, 4513. The penalty for violation of 50 U.S.C. § 4512, 4513 is a fine of up to \$10,000 and up to one year imprisonment.

Hoarding/Price Gouging in Long Island

On April 24, 2020, federal charges were announced by the U.S. Attorney's Office, Eastern District of New York, in response to an investigation by Postal Inspectors into a large-scale hoarding/price gouging scheme. A Long Island business owner advertised the sale of "scarce" PPE items on his websites and through social media and used the U.S. Mail to ship the merchandise to consumers. The owner was charged by criminal complaint for violation of the Defense Production Act (DPA). This investigation was one of the first cases in modern history where the DOJ filed criminal charges under Title 50 of the DPA. In addition, Postal Inspectors recovered a significant quantity of PPE pursuant to the execution of a search warrant at the business location. Among the items seized were protective face masks, face shields, gloves, thermometers, and disinfectant. These enforcement actions were the result of an investigation by the Postal Inspection Service's New York Division.

CARES Act

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) is an economic stimulus bill signed into law on March 27, 2020, in response to the COVID-19 pandemic and the associated economic downturn. It provides approximately \$2 trillion in funding to individuals and businesses through several programs, which include Economic Impact Payments (EIP), also known as stimulus payments, and the "Paycheck Protection Program" (PPP). The Postal Inspection Service participates in an inter-agency CARES Act Fraud Working Group led by the DOJ, which consists of the FBI, the USSS, HSI, the Pandemic Response Accountability Committee (PRAC), and various Inspectors General offices. The DOJ Cares Act Fraud Working Group was established upon the suggestion of the Postal Inspection Service.

Wire Fraud Scheme Lands British Man in Federal Prison

On June 23, 2020, Gareth Long was sentenced by a federal judge in the District of Nevada to a combined sentence of 70 months in prison and three years of supervised release. Long, a British citizen, will also face deportation proceedings following the completion of his prison sentence. Long previously pleaded guilty in November 2019 to one count of wire fraud and one count of aggravated identity theft.

Long operated two payment processing companies: V Internet, LLC (DBA Check Process), and AltCharge. Through these companies, Long created and deposited checks drawn on the checking accounts of more than 375,000 victims without authorization during a six-month period in 2013. When victims called to complain about the charges, Long instructed employees working for him to tell the victims they had authorized the charges in connection with an online payday loan application. During this period, Long deposited more than 750,000 of these remotely-created checks (RCCs) totaling more than \$22 million and successfully stole approximately \$11 million. Many of the victims were elderly.

The Postal Inspection Service seized more than \$2.9 million from Long's company bank accounts, as well as other property that Long purchased with the proceeds of his fraudulent activity, including airplanes, a fire truck, and other vehicles. As part of the sentencing hearing, the court issued an \$11.2 million forfeiture money judgment. Long also forfeited a large ranch and over 23 acres of land he purchased in Texas.

This prosecution was a result of a partnership between the Postal Inspection Service and prosecutors from the DOJ CPB and U.S. Attorney's Office, District of Nevada.



Protecting Postal Customers

The Postal Inspection Service is committed to protecting our primary customer — the American public — from fraud schemes that exploit the U.S. Mail. With the appearance of COVID-19, new scams related to the virus continue to surface as scammers attempt to exploit a historic national crisis. Informing potential victims on how to recognize and avoid these and other types of scams can prevent many crimes before they occur.

Fraud Prevention and Consumer Protection

A critical element of the Postal Inspection Service's crime prevention efforts is informing and educating consumers about fraud schemes involving the mail. Inspectors have found that educating people about crimes is the best way to prevent them from becoming victims. Armed with the right knowledge, almost anyone can recognize a fraudulent scheme and make the right decision — to stay away.

The Mail Fraud Program, in conjunction with the Communications, Governance & Strategy (CGS) Group, has engaged in a coronavirus/COVID-19-related fraud prevention campaign. This has included: a page on the Postal Inspection Service website dedicated to coronavirus-related scams and prevention tips; social media posts on Facebook and Twitter; COVID-19-related fraud Public Service Announcements (PSAs), which resulted in nearly **half a million views**; and the use of USPS's "Informed Delivery" system to send COVID-19 fraud messaging to nearly 25 million "Informed Delivery" subscribers.

The Mail Fraud Program, in collaboration with the National Business Liaison Program Manager, have performed outreach to industry in order to raise awareness about coronavirus/COVID-19-related scams, including awareness on the risk of Business Email Compromise (BEC) scams, to encourage disruption of scams occurring within private industry networks and also to encourage reporting.

Assisting Crime Victims

The impact of fraud and financial crimes can be devastating. Victims are often underserved, due to underreporting and the complexities of investigations and prosecutions. Victims of financial crimes are seldom made whole.

To help them find their way in the criminal justice system, the Inspection Service works with victims of crime involving the mail by advising them of their rights and the services available to them. Inspection Service staff regularly contact victims, offering support and guidance. With this outreach, victims feel more comfortable in an unfamiliar system. This support also has a significant impact on the confidence of victims in the criminal justice system.

National Crime Victims Rights Week

For 14 years in a row, the Inspection Service has participated in National Crime Victims Rights Week (NCVRW), held in April. Although the Inspection Service looked forward to participating in this year's NCVRW — *Seek Justice* | *Ensure Victim's Rights* | *Inspire Hope*—we were not able to participate due to the impact of the COVID-19 pandemic.





Deterring Crime through Asset Forfeiture

For 245 years, American consumers have placed their trust in the integrity of our mail system. Asset forfeiture plays a crucial role in the Postal Inspection Service's comprehensive strategy to preserve that trust by deterring fraud and illicit drug schemes that misuse the mail. Such crimes pose a major threat to our society and the safety of postal employees and customers.

Using the ill-gotten gains of criminals to curb the very crimes they commit continues to be one of the most effective law enforcement tools available. Most notably, asset forfeiture supports our agency's ability to utilize new strategies for both deterrence of narcotics trafficking and enforcement of criminal statutes against those using the U.S. Mail to commit crimes. It also provides us with the "edge" to stay one step ahead of the criminal element, whether the crimes are through traditional means and schemes or on the Dark Web.

In 2020, Postal Inspectors seized 2,337 assets valued at over \$83 million. Of these seizures, 89% involved illegal narcotics and related proceeds, while the remaining 11% were primarily related to mail fraud and identity theft schemes. Once forfeited, these assets are first used to restore losses to victims whenever possible. Remaining forfeited funds are then reinvested in the continuing fight against crime by helping offset the costs to the government of task force operations, training, canine detection capabilities, and the many other necessary expenses of law enforcement.

The availability of asset forfeiture funding also allows us to support a number of innovative investigative initiatives, such as Project JOLT (Jamaican Operations Linked to Telemarketing) and the Cross-Border Task Forces with Canada. These, along with other partnerships around the globe, make the Postal Inspection Service more effective at protecting U.S. citizens from criminals preying upon them from beyond our borders through international mail. Moreover, the Inspection Service used forfeiture funds to initiate a number of educational consumer protection campaigns on the Internet, in the news media, and on television. Asset forfeiture funding also provided state-of-the-art law enforcement training programs at little or no cost to the Postal Service.

Although small in size, the Inspection Service is highly effective at leveraging its resources and intelligence gathering by working with our federal and state law enforcement partners. The forfeiture program allows for the equitable sharing of seized proceeds to help offset the cost of law enforcement. This past year the Inspection Service has paid over \$2.2 million in equitable sharing payments to our state and local partners.

The year 2020 presented imposing challenges to all aspects of life due to the COVID-19 pandemic. Regardless, the Postal Inspection Service overcame these challenges and maintained the effectiveness of its Asset Forfeiture Program and met all required notifications and due process deadlines as required by forfeiture law.

This year has also seen a marked increase in crimes carried out on the Internet. Cybercrime now accounts for over ten percent (10%) of our agency's total seizures and is rapidly increasing, with cases under investigations at divisions around the country. In September of this year, our New York Division alone seized over \$7.2 million in Bitcoin as proceeds from an illegal narcotics distribution case. The San Francisco Division is also increasingly seizing cash parcels in varying amounts related to illegal narcotic sales originating on the Dark Web.



Using Forfeiture to Help Victims of Fraud— Western Union (Philadelphia Division)

After a lengthy, multi-agency/nationwide fraud investigation of Western Union in which the Postal Inspection Service played a major role, the corporation agreed to a settlement that included a deferred prosecution agreement (DPA). In the agreement, Western Union acknowledged responsibility for its criminal conduct, which included violations of the Bank Secrecy Act and aiding and abetting wire fraud. Western Union agreed to forfeit a total of \$586 million, which has been made available to compensate victims. Moreover, to date, we have returned over \$300 million to 142,000 victims. These victims, many of whom were elderly victims of consumer fraud and abuse, will be recovering the full amount of their losses.

At a September 23, 2020, press conference hosted by the Department of Justice, Inspector in Charge Damon E. Wood of the Philadelphia Division stated, "The Postal Inspection Service will continue to be at the forefront of protecting Americans from the scams that harm our most vulnerable citizens and delivering justice for all."



Targeting Theft

The U.S. Postal Service delivers to every home and business in the country, transporting 129.2 billion pieces of mail annually to 161.5 million addresses nationwide. While the vast majority of the mail delivered arrives intact, there are thieves who persist in their efforts to steal it. Whether these thieves are "fishing" for mail from postal collection boxes or stealing mail from customer boxes after it has been delivered, Postal Inspectors aggressively investigate these thefts.

But enforcement is not the only approach to mail theft. Postal Inspectors across the country work hard to protect the mail and make it difficult for mail thieves to be successful. The Postal Inspection Service reviews, tracks, and refers mail theft complaints to Postal Inspectors through our Mail Theft Analytics Program (MTAP). These complaints are filed online, through U.S. Postal Service call centers, and directly with Postal Inspection Service field offices. Reports of potential mail theft losses from major mailers and the U.S. Postal Service's National Change of Address database also assist Postal Inspectors in identifying mail theft trends, enhancing current investigations, and jacketing new cases.

A new challenge appeared in March 2020 when Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The historic stimulus bill provided Economic Impact Payments (EIPs) to over 150 million Americans. Though the majority of EIPs were distributed electronically, millions of physical checks and EIP cards entered the mailstream, posing a potential threat to mail security.

To prepare for this unprecedented mailing, we formed working groups to plan for every contingency, cooperated with USPS and local law enforcement to protect the mailstream, and made sure our employees stayed safe while delivering much-needed supplies and resources to our customers.

From Lawn Maintenance Worker to Mail Thief in Lantana, FL

Early on the morning of July 15, 2019, at a residence in Lantana, FL, a resident placed multiple pieces of mail in the mailbox located outside her home. The mail included 39 checks with a face value of approximately \$200,000. Approximately half an hour later, when the resident went to place another piece of outgoing mail in the box, the previous mailpieces were missing. The resident contacted their letter carrier and asked if he had picked up the mail already, but he said he had not.

Luckily, a neighbor of the resident witnessed an individual taking mail from the mailbox and contacted the Lantana Police Department (LPD) to report the theft. Marchello Wilbon, who was working at the residence that day as a lawn maintenance worker, was soon identified as the suspect. LPD made contact with his employer, and while officers were speaking with the employer, LPD Dispatch advised they had received reports of an unknown suspect running through back yards in the area. LPD set up a perimeter to locate Wilbon, later found him in Lantana Beach, and placed him in custody.

Upon questioning, Wilbon admitted to removing mail from the resident's mailbox. He also admitted knowing the mail contained checks, because a coworker found an open piece of mail containing a check with the residence's address on it. Wilbon stated he opened the mailbox initially to return the check, but removed a "stack" of mail instead. He then hid the mail in the company's work truck.

LPD obtained consent from Wilbon's employer to search the vehicle and located the stolen mail containing the checks. Wilbon was sentenced to 12 months and one day in prison, two years' supervised release, and a \$100 fine.

Targeting Mail Theft in Hattiesburg, MS

During November 2015, Janell Russell, Martina Wade, and Lakeya Anderson attempted to negotiate multiple stolen checks. The Hattiesburg Postmaster contacted Postal Inspectors and informed them a local market had reported checks stolen and that multiple attempts were made to negotiate these checks. Inspectors spoke with the owner of the market, who confirmed they were paying payroll and had placed the checks in the blue collection boxes outside of the Hattiesburg Post Office. After Russell, Wade, and Anderson made numerous attempts to negotiate these checks, banks contacted the market to inform them of what was happening.

Postal Inspectors interviewed the three suspects and contacted the victims. Wade and Russell alleged they were contacted by telephone regarding the checks. Wade was contacted by a relative who owned a tax refund service in Hattiesburg. Wade would then meet her relative and an unknown male at the business, and she would be given checks with her name printed on them. Russell alleged she would receive a phone call as well, but with instructions that an envelope containing fraudulent checks would be placed under a vehicle in the business's parking lot. All three women made numerous attempts to cash the checks at various financial institutions. Though some attempts were unsuccessful, losses were estimated at \$8,753. Russell was sentenced to 54 months in prison, three years' supervised release, and restitution of \$5,000. Wade was sentenced to three years' probation, restitution to be paid jointly with Russell, and a \$1,000 fine. Anderson was sentenced to time served, three years' supervised release, and restitution.



Preventing Mail Theft

When Economic Impact Payments in the form of treasury checks and debit cards were mailed out, Postal Inspectors were on the streets to prevent mail theft and protect postal employees as they made their deliveries.

Intercepting Dangerous Mail

The Inspection Service's Dangerous Mail Investigations (DMI) program is made up of approximately 400 specially trained Inspectors who are equipped to respond when prohibited mailings, suspicious substances, or hazardous materials (including explosive devices) are sent through the U.S. Mail. The DMI program has evolved since the first response to the Anthrax mailings in 2001 and remains a top priority for the Inspection Service. This past year, DMI-trained Inspectors responded to 2,356 incidents involving suspicious items, substances, powders, or liquids in the mail or at postal facilities.

DMI-trained Inspectors receive comprehensive HAZMAT training and use multi-tiered field-screening equipment

to identify potential hazards to the U.S. Postal Service. These hazards may include suspicious powders, liquids, threats, hoaxes, or improvised explosive devices (IEDs).

During FY 2020, DMI-trained Inspectors were involved in several high-profile investigations involving mail that contained suspicious substances, along with threatening communications to federal and state government officials, religious organizations, foreign embassies, and news media agencies. These investigations and others led to 42 arrests and 45 convictions.



U.S. Postal Inspection Service Mail Screening at Super Bowl LIV (Miami, FL)

Mail Screening at National Security Events

The Inspection Service worked with federal, state, and local law enforcement partners to provide mail screening at six national mail-screening events during FY 2020. These events were conducted throughout the country and included Super Bowl 54 in Miami, FL, the NBA All-Star Game, and Daytona 500, along with a variety of other sporting events.

The Postal Inspection Service was tasked with providing security for mail and mail-related matter at selected sites and providing investigative and intelligence

support during each event. During FY 2020, the number of mail-screening events was reduced from 14 events in the previous year, due to challenges surrounding the COVID-19 pandemic. The Postal Inspection Service has participated in over 70 national mail-screening events in the past seven years.

Niedbalski Threat Mailings

In February 2017, the Postal Inspection Service and local law enforcement investigated a stalking case in which the victim received 115 threatening mailings over a 20year period, including a letter containing white powder. In September 2018, the victim received a package that contained components consistent with an explosive device. Craig Niedbalski was identified as the suspect and arrested by federal authorities. In January 2020, Niedbalski was sentenced to four years in federal prison. Our Forensic Laboratory in Dulles, VA, was instrumental in analyzing key evidence in the case.





Images of Niedbalski Threat Mailings





Images of Poff Mailings

Poff Mailings

In November 2019, Julia Poff was sentenced to 10 years in federal prison. The conviction ended a case tracing back to October 2016, when the Postal Inspection Service and other federal law enforcement agencies investigated several mailings addressed to high-profile political figures and a government agency. The mailings contained components consistent with an explosive device. Poff was identified as a suspect and arrested by federal authorities in November 2017. Again, our Forensic Laboratory was instrumental in analyzing key evidence in the case.

Combating Narcotics Trafficking

In the midst of an ongoing opioid crisis, the U.S. Postal Service works aggressively with law enforcement and key trade partners to stem the flow of illegal drugs entering the United States. Central to this effort is the U.S. Postal Inspection Service's Contraband Interdiction and Investigations Group (CI2). Their mission is to protect postal employees, the American public, and the U.S. Mail from dangerous and illegal contraband, specifically illicit drugs and firearms.

In FY 2020, Postal Inspectors made 2,220 arrests involving drug trafficking, saw the conviction of 1,613 suspects, seized over 124,000 pounds of illegal narcotics, and confiscated \$39 million in illicit proceeds.

Strategy

To sharpen our focus on removing dangerous and illicit drugs from the mail and identifying those responsible, we worked with the U.S. Postal Service to create an updated agency-wide strategy. This strategy will guide the Postal Service and the CI2 program as we protect postal employees and the American people by intercepting illicit drugs, destroying drug trafficking infrastructure, and deterring traffickers from using the Postal Service as a distribution network. The strategy sets five strategic goals that enable the Postal Service to define a future centered on key factors for sustained success and serve as a guidepost for decision making along the way:

- Advance efforts to increase employee safety, awareness, and engagement.
- Bolster and expand partnerships with key stakeholders.
- Expand and enhance intelligence and analytics capabilities.
- Identify and invest in new tools and technologies.
- Enhance law enforcement capacity, capabilities, and readiness.

By working to achieve these goals, our CI2 program plays a key role in maintaining public trust by protecting Postal Service employees, the American people, and the sanctity of the U.S. Mail from the threat of illicit activity.

Task Force Officer Program

Partnerships with law enforcement agencies create critical force multipliers, as well as improve communication and data sharing. In FY 2020, our Cl2 program unveiled a new standardized Task Force Officer (TFO) program to add additional resources, in order to identify, investigate, and prosecute drug traffickers. The TFO program brings together vital resources from state and local law enforcement agencies to maximize collective impact.

TFOs receive training, tools, and resources from the Postal Inspection Service, including the issuance of credentials showing their appointment as a TFO and crossdesignation as a federal law enforcement officer. They can collect and maintain evidence, have access to the Postal Inspection Service Case Management System, and may also act as lead investigators in task force cases. While the TFO program will be standardized, field divisions have been given flexibility to leverage TFOs to meet the unique operational needs in each geographic area.

Opioid Detection Challenge

As part of the comprehensive government effort to address the opioid crisis, the Postal Inspection Service joined with the Department of Homeland Security Science and Technology Directorate, U.S. Customs and Border Protection, and the Office of National Drug Control Policy to incentivize innovators to develop new tools and technologies to detect opioids in parcels moving through international service centers and express consignment facilities. The Opioid Detection Challenge sought novel, automated, nonintrusive, user-friendly, and well-developed designs for tools and technologies that have the potential to quickly and accurately detect opioids in parcels, without disrupting the flow of mail. In December 2019, the grand prize was awarded to Integrated Defense and Security Solutions (IDSS) for producing a solution that combines a 3D X-ray computed tomography scanner with automated detection algorithms to detect abnormalities in X-ray images based on the scanned item's features and physical properties.

Postal Inspectors and Federal Law Enforcement Partners Take Down Crystal Methamphetamine Traffickers





In FY 2020, we concluded a three-year case that ended with prison sentences for six drug traffickers. In May 2016, Postal Inspectors in the Washington Division began investigating a large-scale crystal methamphetamine drug trafficking organization (DTO). The DTO was responsible for distributing kilogram quantities of crystal methamphetamine from California and Nevada into the Washington, DC, area and other parts of the country. During the course of the investigation, Postal Inspectors, in coordination with the Drug Enforcement Agency, intercepted multiple Priority Mail parcels containing more than a kilogram of crystal methamphetamine. Jimmy Zeigler and Adrian Diaz were identified as primary targets of the investigation. Following several suspect interviews and residential search warrants, investigators learned of the DTO's plan to also distribute other narcotics.

During the course of the investigation, Inspectors intercepted mailings that collectively contained over eight pounds of crystal meth. Furthermore, a search of Diaz's residence resulted in the seizure of a .45 semiautomatic handgun, approximately 2.4 kilograms of cocaine, 1,010 pills of OxyContin (80mg), one pound of methamphetamine, 117 grams of black tar heroin, 93.6 grams of marijuana, and approximately \$153,000 in U.S. currency. Subsequently, due to law enforcement partnerships, four additional suspects were identified in the conspiracy, including the source of supply in California. The Eastern District of Virginia charged all suspects for their role in a conspiracy to distribute narcotics. Zeigler and Diaz were sentenced to eight years' and four years' imprisonment, respectively. Between 2016 and 2019, a U.S. District Judge found the additional co-conspirators guilty. Sentences ranged from one to 11 years' imprisonment.

Nine Targets Indicted in the Northern District of Ohio in a Drug Conspiracy Investigation



In October 2017, Postal Inspectors in Ohio joined a multi-agency Organized Crime Drug Enforcement Task Force investigation pertaining to distribution of fentanyl and money laundering activities of drug trafficking organization (DTO) leaders Donte and Audrey Gibson. The Gibsons received kilogram quantities of fentanyl and carfentanil directly from China via the U.S. Postal Service. The investigation was initiated following a report of suspicious activity involving international mail parcels from China addressed to PO Boxes at different Post Offices in the Akron, OH, area. Further investigation and extensive analysis led Inspectors to numerous domestic and international parcels, as well as \$27,840 in USPS money orders used to launder illicit proceeds. Subsequently, several co-conspirators were identified. In February 2018, law enforcement, including the Postal Inspection Service, FBI, IRS, Homeland Security Investigations (HSI), and

the Akron Police Department conducted simultaneous search warrants at seven different locations in the Akron area, resulting in the seizure of fentanyl, firearms, and \$364,519.75 in U.S. currency.

As a result of the investigation, nine members of the DTO were indicted for their roles in a conspiracy to bring kilogram quantities of fentanyl and carfentanil into the U.S. from China and sell drugs to residents of Akron and Lorain, OH. In April 2020, the U.S. District Court in the Northern District of Ohio sentenced Donte and Audrey Gibson to 300 months' and 130 months' imprisonment, respectively. They were also charged with violation of the money laundering statute. The sentencing for the seven co-conspirators ranged from eight months' home confinement to 120 months in prison.

Multi-Narcotics Distribution Ring - From California to New Jersey



1 kg. Methamphetamine



10 lbs. Marijuana



\$61,400 U.S. Currency

In 2015, Postal Inspectors and members of the Drug Enforcement Agency (DEA) opened an investigation into suspicious mailings originating out of Southern California and Reno, NV, going to Essex, Passaic, and Union Counties in New Jersey. In addition, Inspectors identified suspected narcotics proceeds parcels going to Southern California. Investigative efforts led to the identification of over 100 mailings associated with a drug trafficking organization (DTO) responsible for the distribution of cocaine, crystal methamphetamine, and marijuana between California, Nevada, and New Jersey from 2015 through 2017.

Numerous seizures, mail screenings, surveillance, and in-depth analysis of subpoena and business records revealed that members of the DTO were tied to gangs in the Dominican Republic, Jamaica, and Mexico. Throughout the course of the investigation, Inspectors seized several parcels that combined for a total of nine kilograms of cocaine, 44 pounds of marijuana, one kilogram of methamphetamine, 840 grams of fentanyl, and \$61,400 in U.S. currency. Due to the collaborative federal law enforcement efforts, suspects in New Jersey and California were arrested and subsequently charged with conspiracy to distribute narcotics utilizing the mail. Four suspects pleaded guilty. Their sentences ranged from three years' federal probation to eight years' imprisonment.

Halting Child Exploitation



It is a federal offense to knowingly distribute or receive any child pornography by mail or other means of interstate or international commerce. Using the mail to transmit materials that exploit children debases the integrity of the postal system and further endangers the safety and wellbeing of young victims. The Inspection Service assigns specially trained Inspectors to investigate incidents when the mail is used for this purpose.

The Postal Inspection Service partners with the National Center for Missing and Exploited Children (NCMEC), the Department of Justice Child Exploitation and Obscenity Section, and the 93 U.S. Attorney's Offices across the United States to investigate child sexual exploitation involving the U.S. Mail and the Internet.

Pennsylvania Man Sentenced to 10 Years for Possessing Child Pornography

In FY 2020, David Scott was sentenced to 10 years in prison, followed by 5 years' supervised release. Scott was also ordered to pay a \$100 special assessment.

Scott was originally identified in 2011. He was a registered sex offender and a customer of AZOV films, a company that sold and shipped DVDs containing child pornography through the mail. Scott was targeted by a Postal Inspection Service undercover operation after communicating with AZOV films to request a catalog of child pornography movies. Scott, however, did not order anything and was not arrested at that time.

In FY 2018, Scott uploaded one video and 32 images of child pornography to an email server using his cell phone. The email company identified the files as child sex abuse material (CSAM) and notified the National Center for Missing and Exploited Children (NCMEC) of the uploaded CSAM files. NCMEC notified the Postal Inspection Service of the files based on Scott's prior identification.

A Philadelphia Division Inspector obtained a search warrant for Scott's email account and also located Scott's place of employment and home. On September 21, 2018, the Postal Inspection Service, FBI, and Pennsylvania State Police arrested Scott at his residence for receipt and possession of child pornography. A search warrant was also executed, identifying additional videos of child pornography on Scott's mobile phone.

On January 3, 2019, Scott pleaded guilty to one count of possession of child pornography, with a mandatory minimum sentence of 10 years in prison and a maximum potential sentence of 200 years.

Keeping Employees Safe & Secure

A key aspect of the mission of the U.S. Postal Inspection Service is ensuring the safety and security of all postal employees. In the unfortunate circumstances where one of our employees is the victim of a violent crime, Inspection Service personnel respond and arrest identified suspects. Postal Inspection Service personnel also work proactively to assess and address risks to USPS employee safety to reduce the prevalence of violent crime.

FY 2020 was no different for the Violent Crimes Program, despite the unique challenges presented. March 2020 brought with it a global pandemic, resulting in stay-at-home orders, protests to those orders, civil unrest, and Economic Impact Payments (EIPs) being sent through the mail to postal customers. Despite the unique climate and personal risks, our Inspection Service personnel responded to and investigated every reported violent incident to ensure the safety and security of all employees and postal customers and took substantial action to Protect, Prevent, Enforce, and Prepare.

Protect

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law as a response to the economic distress caused by the COVID-19 pandemic. In April 2020, the U.S. Postal Service began distributing EIP stimulus checks and debit cards to millions of Americans. The presence of these valuable payments in the mailstream brought an increased risk of robberies of letter carriers and Post Offices. Inspection Service personnel nationwide responded to this heightened risk by increasing Post Office security to protect USPS employees, facilities, and assets.

Prevent

In FY 2018, the Criminal Investigations Group deployed Safe & Secure Phase V — Employee Collusion. Phase V was to be an 18-month prevention campaign educating our employees on the consequences of colluding in narcotics trafficking. Despite the limitations on group gatherings (and therefore group presentations) imposed by the pandemic, USPIS personnel delivered the training in safe and effective methods, facilitating 1,546 presentations, engaging over 50,000 employees in FY 2020 alone. As of September 1, 2020, we facilitated a total of 3,303 presentations, engaging in stand-up talks with



over 120,000 USPS employees over the course of Phase V. Due to the pandemic, the remaining stand-up talks will be delivered in FY 2021.

Enforce

In FY 2020 (as of September 8, 2020), Inspectors enforced federal and state law regarding violent crime against USPS employees by responding nationwide to 7,190 reports of violent crime activity, ranging from threats to assaults, burglaries, robberies, suicides, and homicides. Included in this total figure were two (2) homicides of on-duty USPS employees, 140 robberies, 202 burglaries, and 631 credible assaults and threats. Violent crime experienced by the USPS mirrored the climate in the country. In April 2020, the presence of stimulus checks in the mail brought a notable increase in robberies, compared to the same period in 2019. Similarly, June 2020 saw a significant increase in robberies over June 2019 levels, and April through June 2020 saw substantial increases in burglaries over the same period in 2019, coinciding with the civil unrest seen across the country. Despite the motivating factors and challenges faced in FY 2020, Inspectors made 7 arrests for homicides, 51 arrests for robberies, 68 arrests for burglaries, and 259 arrests for assaults and threats.

Prepare

Despite the cancellation of many in-person trainings, due to COVID-19, we continued to prepare our workforce to respond to violent crimes and critical incidents in FY 2020 and forward. In February, our Criminal Investigations Group (CIG) and field subject matter experts facilitated an in-person Workplace Violence advanced training class to train field Inspectors on investigative techniques and reporting of workplace violence incidents. In FY 2020, CIG also conducted numerous teleconference training sessions to train field Inspectors on utilization of the Violent Crime Incident Management Database. Our 17 field divisions also conducted over 6,300 stand-up talks with our partners within USPS and with external agencies on violent crime topics to prepare them to assist when unfortunate violent crimes do occur. These discussions educated our partners in advance of an incident, allowing them to be better prepared to prevent crime and to be more equipped to respond effectively when it occurs.

The two cases highlighted below were investigated in FY 2020 and demonstrate the commitment that our Violent Crimes Program shows to getting justice for victims of violent crimes, particularly during the most critical incidents.

Andrews, SC Homicide of USPS Letter Carrier, September 23, 2019

Justice.gov: Two Defendants Charged with Murder in Federal Court for Alleged Roles in Death of Postal Employee, Face Federal Drug Conspiracy Charges with Third Defendant

<u>United States Attorney Peter M. McCoy, Jr.</u>- "This indictment alleges one of the most serious crimes in the criminal justice system: murder. It marks the result of exhaustive efforts by our federal, state, and local partners to investigate every facet of this case, and to do right by Ms. Pressley and her family. This office will continue to rely on these partnerships and use every tool at our disposal to aggressively prosecute violent crimes against the citizens of South Carolina."



U.S. Postal inspectors walk along Morrisville Road on Wednesday, Oct. 9, 2019, outside of Andrews, Irene Pressley, a longtime mail carrier, was sho and killed on her route on Monday, Sept. 23, 2019, Andrew Whitaker/Staff BY ANDREW WHITAKER AWHITAKER@POSTANDCOURIER.COM

Indianapolis, IN Homicide of USPS Letter Carrier, April 27, 2020

Justice.gov: Federal Charges Filed in Death of Postal Employee

"United States Attorney Josh J. Minkler announced [May 1, 2020] federal charges filed in the shooting of a United States Postal Service Letter Carrier. On April 27, 2020, just before 4:00 p.m., IMPD officers responded to [reports of] a person shot Officers found 45-year-old Angela Summers, a United States Postal Service Letter Carrier, suffering from an apparent gunshot wound. Ms. Summers was transported to an area hospital, where she later succumbed to her injuries. On the evening of April 28, 2020, United States Postal Inspectors, Indianapolis Metropolitan Police Department, and FBI Special Agents arrested Tony Cushingberry-Mays, 21, of Indianapolis, Indiana."



The suspect was indicted on May 28, 2020.

⁴⁴ Protecting postal employees remains one of our highest priorities. Our Postal Inspectors aggressively investigate all violent crimes against employees and, during this reporting period, responded to 7,190 reports of violent activity, from threats to assaults, and including two homicides of on-duty USPS employees.³³

> Gary R. Barksdale Chief Postal Inspector



Protecting postal employees, our facilities, and the mail they process and handle is of vital importance to the Postal Service and the Postal Inspection Service. Ensuring the Postal Service can continue providing service to the American public in the event of an attack, natural disaster, or other crisis involves coordinated protection planning efforts and a thorough evaluation of every vulnerability.

Postal Inspectors and Postal Police Officers (PPOs) ensure the safety of nearly 500,000 employees and 36,000 postal facilities. Our uniformed PPOs are assigned to postal facilities throughout the country. PPOs provide facility security, respond to emergency situations at postal facilities, report security breaches and threats against employees, and carry out essential protective functions.

To help accomplish this mission, the Inspection Service conducts annual risk assessments to ensure security controls are upheld and in place. During FY 2020, we conducted security reviews of 575 postal facilities using the Vulnerability Risk Assessment Tool (VRAT)—a comprehensive, risk-based model to identify security deficiencies. Based on an analysis of crimes against persons and property in each area where a postal facility exists, these annual Postal Inspection Service risk assessments ensure security controls are in place to mitigate the risks in each area. Uniformed PPOs help raise the security profile at large USPS facilities. Whether they are securing or performing other critical protective actions, their presence and professionalism play a crucial role in accomplishing the Inspection Service mission to protect the Postal Service, its employees, and infrastructure.

Securing Election Mail

During the 2020 Election Season, Postal Inspection Service divisions conducted 368 Observations of Mail Conditions (OMCs) for primary and special elections in nearly every state and territory. More than 700 Postal Inspection Service personnel were involved, and over 2,000 work hours were required to complete the work done by almost every division. In addition, an Election Mail Security Task Force worked to overhaul the OMC training, notification, and reporting system to make it more efficient for field personnel doing the work.

COVID-19 Response

During the early days of the COVID-19 outbreak, the Headquarters Security Group initiated and administrated the USPIS COVID-19 Command Group. The group consisted of Postal Inspector/Program Managers, an Assistant Inspector in Charge, an Inspector in Charge, a HAZMAT specialist, a scientist, and medical staff (doctor and nurse). The group was responsible for monitoring and evaluating medical and public safety developments nationally and providing general guidance and daily situation reports on the unfolding of the COVID pandemic. The USPIS Command Group served as the primary liaison to the USPS COVID Workgroup and also provided daily COVID briefings to the Executive Council and weekly briefings to the National Leadership Team on topics including general COVID updates, CDC and WHO announcements, current events, and COVID-related law enforcement developments and needs. The group worked with the USPS to identify, evaluate, and select alternative supply streams for hand sanitizers and personal protective equipment for postal employees. The group also provided oversight of efforts to ensure secure delivery of Economic Impact Payments, or stimulus checks.



The U.S. Postal Inspection Service is aware of several frauds related to the COVID-19 pandemic. For tips on how to recognize and avoid these scams, visit www.uspis.gov/coronavirus



Millions of Informed Delivery customers received this message from the Postal Inspection Service in their "Daily Digest" email message. It was one of the most widely circulated anti-fraud alerts in Inspection Service history.

Protecting Revenue & Assets

The U.S. Postal Service delivers almost 150 billion pieces of mail annually, more efficiently and at a lower cost than any comparable post. It does so without the financial support of the American taxpayer. USPS is a self-funding entity that derives its revenues entirely through the sale of postal products and services. For that reason, the Postal Service relies on its customers to pay the required postage costs. Postal Inspectors work with Postal Service groups to protect revenue and investigate claims of short-paid postage that indicates possible fraud.

Counterfeit PC Postage Detection Software

The Revenue Investigations Program, along with USPS Revenue Assurance and other USPS stakeholders, developed software to detect counterfeit and invalid PC Postage[®]. The software was included in the updates to the Retail Systems Software (RSS) and Intelligent Mail Device (IMD) scanners on September 25, 2020. During the pre-paid acceptance workflow, the software requires the scanning of the Information Based Indicia (IBI) barcode on Priority Mail Express mail pieces utilizing PC Postage labels. If the IBI barcode is un-scannable, the date in the IBI is more than 30 days old, the mail class in the IBI does not match the mail class in the tracking barcode, or the meter manufacturing code is not valid, then the software will notify the user that the item cannot be accepted because the postage payment cannot be verified. If the customer is available, the item will be handed back to the customer, who will be told to contact his or her PC Postage Provider. If the customer is not available, Label 424, Invalid Postage Return Label, will be applied advising the postage cannot be verified and the item will be returned to sender. The software is designed to also verify the postage on other classes of mail, such as Priority Mail, with future plans to enable the functionality on these classes if USPS Retail and Operations are agreeable.

Zero Postage Labels

The Revenue Investigations Program detected issues with PC Postage labels created by customers of one of the PC Postage providers. The provider's system allowed customers to use their accounts to create labels with valid tracking numbers without paying postage. Some customers were generating these labels and then affixing or Photoshopping counterfeited or duplicated IBI postage onto the labels to make it appear postage had been paid. Investigation into one of the accounts identified 3,690,678 zero postage labels generated. Inspectors and analysts sampled some of the pieces and confirmed counterfeited or duplicated postage affixed to the labels. Based on the sampling, a loss of \$7.77 in postage per piece was calculated, leading to possible unpaid revenue totaling \$28,676,568.06 on just this one account. Data obtained from the provider identified a total of over 6 million additional zero postage labels generated on other accounts between July 1, 2017, and May 31, 2020. As accounts with verified counterfeited or duplicated postage on the labels were identified, Inspectors conducted investigations and worked with the provider to shut down the accounts. The provider has phased out the capability to create zero postage labels by its customers.

Tri-State Counterfeiter Sentenced

A Philadelphia and Newark Division collaboration led to the prosecution of an individual who presented 58 counterfeit checks to purchase stamps at Post Offices in Pennsylvania, New Jersey, and New York. Losses to USPS totaled \$46,590. The individual waived venue and pleaded guilty to conduct in all three states. He was sentenced to three months' incarceration, four months' house arrest, three years' supervised release, and \$46,590 in restitution to USPS.

Collusion Leads to 8-Year Prison Sentence

The Los Angeles Division investigated a USPS clerk who was colluding with two mailing companies to submit fraudulent documentation and accept mail without proper postage payment. The clerk was the primary Business Mail Entry Clerk at the Post Office where he worked. He conspired with the companies and accepted bribes to falsify USPS documents. One company paid the clerk 63% of the postage the company avoided paying through the



scheme. The other company paid him cash bribes to certify the postage on the company's mailings were properly paid. Losses to USPS in both cases totaled \$11,745,608. The clerk was sentenced to 100 months in prison and ordered to pay full restitution jointly with the other defendants. He also agreed to forfeit approximately \$767,805 in cash and bank accounts identified through search warrants, in addition to his USPS Thrift Savings Account and a house he purchased using proceeds from the scheme.

The owner and the manager of one company were both sentenced to two years' incarceration and 18 months' incarceration, respectively, and ordered to jointly pay \$5.8 million in restitution. The owner of the second company pleaded guilty and is awaiting sentencing. He agreed to forfeiture of \$1.8 million in cash and bank accounts and restitution in the amount of \$1.2 million to be paid at least 30 days prior to sentencing. The case was worked jointly with the USPS Office of Inspector General.

Suspect Pleads Guilty in Stamp-Selling Scheme

A company that buys and sells stamps notified the Inspection Service that an individual offered to sell 20,000 First Class stamps, which were purchased from the USPS Self Service Kiosks (SSKs). A review of the stamps determined they were purchased from SSKs within Florida's Suncoast District, an area that had been affected by SSK transactions paid for with fraudulent credit cards. The Miami Division began an investigation. Inspectors collected information from fraudulent transactions, including video and transaction photos. A Los Angeles Division Inspector also monitored transactions and identified suspicious activity at a Post Office in Ft. Myers, Florida. Miami Division Inspectors and local authorities responded to the location and arrested two suspects. A search of their vehicle revealed two fraudulent identification cards, thousands of dollars in cash, 43 fraudulent credit cards, numerous blank gift and credit cards, and Express Mail envelopes filled with USPS postage from various SSK machines.

One of the suspects was later charged with Aggravated Identity Theft and Conspiracy. She admitted to conspiring with others to obtain victims' credit card information without their permission and creating counterfeit credit cards by re-encoding the victims' information onto gift cards or blank credit cards. A total of 997 re-encoded cards were used from July 2018 through October 2018 to make stamp purchases at SSKs in Florida. The stamps were then sold, below face value, to various businesses for cash.

The defendant pleaded guilty in federal court and agreed to pay restitution in the amount of \$225,271.04. She also agreed to forfeit \$2,796 in cash found in the vehicle during her initial arrest. Sentencing has been delayed due to COVID-19. The case was worked jointly with the U.S. Secret Service.

Global Security

Universal Postal Union-Postal Security Group

The Postal Inspection Service Global Security Group plays a key role in mitigation strategy planning for the Universal Postal Union (UPU) and the Postal Security Group (PSG). It has been chaired by the Chief Postal Inspector since its inception in 1991. The regular fouryear UPU Congress was originally scheduled to take place this year; however, it has been postponed due to the COVID-19 pandemic. Therefore, in order to ensure security issues continued to be addressed in FY 2020, two PSG meetings took place via a virtual platform in response to the ongoing worldwide pandemic. Chief Postal Inspector Gary Barksdale chaired the meetings. These meetings allow the opportunity to disseminate best security practices among member countries and update strategy plans.



Global Security Assistant Inspector in Charge Claudia Angel and Global Security Program Manager Carlos Rodriguez presenting a report of the Security Action Group at the Consultative and Executive Council (CEC) of the Postal Union of the Americas, Spain, and Portugal (PUASP) meeting in Uruguay, November 2019.

GLOBAL SECURITY WORKING GLOBALLY

Due to COVID-19, Global Security Group missions have had to adjust to virtual environments with enhanced use of technology. Navigating through the pandemic, GSP program managers initiated a series of online seminars, beginning with one on the trafficking of new psychoactive substances and synthetic opioids for the Latin American region through the work of the Postal Union of the Americas, Spain, and Portugal (PUASP) Security Action Group. Over 120 participants from 25 countries attended the seminar. Representatives of the International Narcotics Control Board (INCB) and USPIS CI2 supported this seminar with a presentation on narcotics in the mail.



Inspector in Charge Rafael Nuñez (presenting) and Global Security Program Manager Dawn Wilkes attended the UPU Global Conference on cross-border cooperation in an e-commerce world, a prestigious conference to discuss customs-related issues in the e-commerce era.

ICAO-UPU Contact Committee held its third meeting also via virtual means. This committee is co-chaired by the Inspector in Charge of Security. The committee works to ensure that the civil aviation sector and posts are working together.

The Global Security Group effected a virtual limited scope security review of the operations of SEPOMEX's international and domestic processing facilities in cooperation with the Bureau of International Narcotics and Law Enforcement Affairs (INL) and the U.S. Embassy in Mexico City, August 2020.

The Global Security Group continuously provides security oversight with USPS National Headquarters and Customs and Border Protection over the shipment of sea containers from China Post and new lanes of mail transportation. The impact of COVID-19 caused major disruptions to normal international transportation routes due to limited airlift.

Global Security program managers at the nation's five International Service Centers monitor and provide security oversight of imposed international mail delays and temporary suspensions of service due to pandemic response. International mail volumes were higher outside of holiday peak season, and there have been several USPS innovations to contend with this unprecedented overflow, all of which require security interventions, such as: creating bilateral partnerships to ship mail via sea containers between seaports; chartering cargo air carriers to fly to high-volume posts; and flying mail in passenger cabins under special circumstances. Furthering subject matter expertise with the development and inclusion of security requirements for National Headquarters' initiatives such as USPS Outbound Commercial Partnership Initiative (OCPI) and USPS Domestic Ocean Transportation contracts is also a priority.

The Global Security program manager domiciled in Kaiserslautern, Germany, oversees all military mail and diplomatic mail issues. He consulted with U.S. military investigative agencies worldwide on 27 criminal cases and provided guidance to five installation commanders concerning search warrants and security issues at military postal facilities.



Air Force personnel assigned to the Ramstein Post Office pose with Postal Inspectors following a tour of the facility. The Ramstein Post Office is the largest Military Post Office in Europe and provides postal services to approximately 40,000 armed forces service members, Department of Defense civilians, retirees, contractors, and their families living in the Kaiserslautern Military Community. Pictured L-R (center row): Global Security AIC Claudia Angel, INC Melisa Llosa, and Global Security Program Manager David Arias, October 2019.

Global Security program managers intercepted and secured thousands of Economic Impact Payment (EIP) checks, worth millions of dollars at the JFK ISC. These checks were addressed to U.S. citizens living abroad and deemed undeliverable due to the suspension of all international flights. Global Security facilitated their safe return and transfer to the U.S. Treasury, May 2020.



Keeping international mail moving - Soon after the pandemic struck the U.S., the State of California Office of Emergency Services (Cal OES) accepted a donation of 100 parcels containing PPE masks from the Guangdong Province of China. Given the extreme delays of mail due to crippled transportation networks, Cal OES, the USPS, and the Postal Inspection Service carefully tracked every leg of the trip until final delivery. These parcels were cleared through customs screening and re-tendered to the LAX ISC for domestic mail processing and delivery. Pictured (L-R) are DePreist Christon (LAX Manager of In-Plant Support), and Global Group Program Manager Matt MacMillan (Los Angeles Gateway), in June 2020.
MAIL TRANSPORT EQUIPMENT RECOVERY PROGRAM

Global Security has oversight of the Mail Transportation Equipment (MTE) recovery program, which serves to identify and recover postal equipment and, when warranted, seek criminal prosecution. In FY 2020, hotline tips, leads, and enforcement efforts led to a recovery of \$890,699 in USPS MTE. A total of 286 prevention visits were completed at recyclers, major mailers, freight forwarders, Commercial Mail Receiving Agencies, USPS facilities, and airports.



In FY 2020, Inspector Kelly Cain of the Los Angeles Division recovered \$58,806 in lost MTE, seizing more than 2,500 pallets. Pictured are Inspector Cain (left) and LA Division Homeland Security Coordinator Angela Marty.



INTERPOL

Global Security serves as the liaison to INTERPOL, an International Criminal Police Organization and inter-governmental organization comprising 194 member countries. INTERPOL was created to enable police forces in member countries to work together to share and access data on crimes and criminals. Global Security actively works with INTERPOL to develop international cases and locate fugitives on behalf of the Postal Inspection Service. In FY 2020, Global Security collaborated with INTERPOL to submit 14 Red Notices to detain fugitives found within member countries. Global Security completed nine INTERPOL requests for assistance from member countries and Postal Inspection Service divisions.

Aviation Mail Security

In FY 2020, Aviation Security continued to work with internal and external stakeholders collaborating with the Transportation Security Administration (TSA), Security Group members, and various stakeholders within the Postal Inspection Service and USPS to secure the 3PK9 program. This program will assist USPS with moving more Priority Mail on commercial flights around the country. Additionally, Aviation Security continues to work with TSA to develop "Red Team" testing processes for future covert testing of USPS canine teams. This fiscal year, Aviation Security and USPS Stakeholders were also responsible for the redevelopment of the Anonymous Mail Program SOP. The SOP provided details for the future state of the program where Anonymous Mail records will be reported in the Mail Incident Reporting Tool (MIRT).



Aviation Mail Security Specialist Troy Blair during the 3PK9 pilot at PHX – Phoenix Sky Harbor International Airport – American Airlines warehouse, October 2020.

HAZMAT

In response to the discovery of undeclared, improperly prepared, and/or prohibited hazardous materials found in the mail, approximately 1,000 requests for civil penalty were received and reviewed. Over 420 warning letters were issued, and 31 of these requests resulted in Civil Penalties with the total amount exceeding \$3.9 million.

The group collaborated with various USPS stakeholders to provide training, develop various HAZMAT tools and resources, write and deliver articles on numerous HAZMAT-related issues, and complete a *HAZMAT for Sales* course that will be launched on the HERO training platform in early FY 2021. They also worked closely with the Homeland Security Coordinators (HSCs) in every division to increase compliance with respect to local reporting of HAZMAT-related incidents and findings in the Mailpiece Incident Reporting Tool. Through the efforts of the HSCs, an increase of 33% overall and over 200% for non-ISC-related facilities was realized with respect to the number of entries captured in the system.



Forensic Examination

At the National Forensic Laboratory in Dulles, VA, and at 21 Digital Evidence locations around the United States, highly trained forensic scientists and technical specialists play a key role in identifying, apprehending, prosecuting, and convicting individuals responsible for postal-related criminal offenses. They provide scientific and technical expertise to the criminal and security investigations of the Postal Inspection Service. Postal Inspectors rely on the forensic scientists and technical specialists in Questioned Documents and Imaging, Fingerprints, Physical Sciences, and Digital Evidence for their expertise in helping to solve postal crimes.

Quality and Expertise

Forensic Laboratory Services (FLS) demonstrated an ongoing commitment to quality assurance by maintaining accreditation under the international requirements ISO/IEC 17025:2017, General requirements for the competence of testing and calibration laboratories, through A2LA, an independent, nonprofit, internationally-recognized accreditation body. Many FLS personnel worked on national forensic science standard development organizations, such as the Organization of Scientific Area Committees, ASTM International E30 Committee on Forensic Sciences, the Scientific Working Group on Digital Evidence, the American Academy of Forensic Sciences, and the Forensic Specialties Accreditation Board. Over 30 FLS analysts were certified or recertified by forensic science boards, including the American Board of Criminalistics, International Association of Computer Investigative Specialists, American Board of Forensic Document Examiners, and International Association of Identification. These certifications and external recognition demonstrate our scientists' expertise and individual commitment to quality.

The Assistant Laboratory Director for Questioned Documents & Imaging (QD&I) continues to play a significant role in a project within USPS, serving as the Postal Inspection Service's Technical Representative to USPS for the development of the new USPS money order.

Customer Service and Examinations

FLS's dedication to excellent customer service is consistently demonstrated through its case work achievements, technical assistance, and expert testimony. Our scientists and experts examined over 262,000 items, including 573 terabytes of data. We also identified 1,444 suspects in Postal Inspection Service investigations and coordinated 28 new requests for DNA analysis, which led to five (5) identifications.



Nineteen (19) DNA profiles from cases were entered into the FBI's Combined DNA Index System, resulting in 12 matches and vital investigative information for the field. FLS also submitted 33 exhibits to the National Integrated Ballistic Information Network, resulting in two (2) matches. The Incident Response Team responded six (6) times to different locations for four (4) cases, providing Inspectors with on-site crime scene processing support. Prior to a nationwide court shut-down for COVID-19, FLS personnel appeared in court and provided testimony two (2) times.

FLS continues to use all available resources to address high volumes of laboratory requests and reduce backlog in chemistry and fingerprint examinations. FLS employed additional resources, such as in-house contractors and an external controlled substance laboratory, which had a significant impact on the backlog in FY 2020. On-hand requests were reduced by 182 or 23% since the start of FY 2020. The number of requests older than 90 days was also significantly reduced (180 or 47%).

These resources, as well as new workflow processes, were important tools in the backlog reduction efforts and allowed FLS units to complete casework and reduce backlog, despite analyst vacancies, an increase in lab submissions over the same period last year (18%), the several month shut-down during the replacement of all fume hoods, and the impact of COVID-19.

Incident Response

The FLS Incident Response Team, which includes analysts from all laboratory units, responded several times during FY 2020 to assist field Inspectors with processing crime scenes and collecting physical and digital evidence. The most critical response was for the investigation of the homicide of an on-duty letter carrier in South Carolina. FLS team members responded four times from the National Forensic Laboratory, and several digital evidence examiners provided extended on-site assistance for days at a time to assist the multi-agency task force.

Forensic analysts processed an expansive crime scene, examined five vehicles, and also attended the autopsy. These efforts resulted in over 50 laboratory requests to examine a large amount of evidence, including: several firearms, shell casings, clothing items recovered from multiple suspects and vehicles, numerous fingerprints lifts, mail parcels, hairs, fibers, blood, glass, DNA, controlled substances, numerous digital devices, and videos posted online. As a result of the hard work of the field, laboratory, and other support personnel, federal grand jury indictments were brought against three suspects.

Technology

FLS remains focused on technological advancement, as demonstrated by the procurement and/or development of new equipment, hardware, and software to support Inspection Service investigations. The Cellebrite Premium and GrayKey tools acquired in FY 2019 and 2018 allow the Digital Evidence Unit to extract previously unattainable information from seized mobile devices. During FY 2020, 331 devices were processed, and 242 were unlocked and/or extracted by these services. The success of the program and ever-increasing demand for services required the purchase this year of a second GrayKey device for use on the East Coast.

Other new equipment purchased for the National Forensic Laboratory included the complete replacement of all the laboratory fume hoods, a new evidence drying cabinet to assist with wet or bloody items, a new nuclear magnetic resonance spectrometer for the analysis of controlled substances in the Chemistry Section, and a new bullet recovery tank for the analysis of firearms and projectiles in Physical Evidence.



FLS and COVID-19

While much of the world moved toward teleworking during the COVID-19 pandemic, FLS personnel had to establish new ways to keep working and examining evidence that cannot leave the laboratory, while also protecting themselves and others. Over the past three years, FLS had transitioned to all digital case notes and workflows. This allowed analysts to work a few days in the laboratory to batch process evidence and then work from home to complete the examinations, notes, and reviews. Secure access to our Laboratory Information Management and Digital Evidence Management Systems facilitated this workflow.

Staggered schedules and batch processing also allowed analysts to stay safe and separate while continuing to complete examinations and support Postal Inspection Service investigations. Due to this preparation and flexibility, FLS personnel continued to work productively during a time when many forensic laboratories shut their doors and were unable to continue working.



Investigating Cyber Threats

The Postal Inspection Service's Cybercrime Program is responsible for providing investigative, forensic, and analytical support to Postal Inspection Service field divisions and the USPS Corporate Information Security Office. The unit helps safeguard the Postal Service's network infrastructure to ensure daily operations are uninterrupted and cyberattacks are mitigated so postal customers can do business online with confidence.

Our Inspectors aggressively investigate security incidents and criminal activities affecting the USPS computer network, USPS e-commerce products and services, and field investigations related to websites and cryptocurrencies.

Cybercrime personnel provide criminal investigative support by facilitating the identification, disruption, and dismantling of individuals and organizations that use the mail or USPS online tools to facilitate black market Internet trade or other illegal activities. Investigative analysts utilize USPS systems and tools to provide open source intelligence and cryptocurrency blockchain analysis in support of all Inspection Service investigations.

To accomplish this mission, Cybercrime program managers and intelligence analysts are embedded with multiple task forces focused on combating cybercrime, such as the National Cyber Investigative Joint Task Force (NCIJTF). As part of our relationship and liaison activities at NCIJTF, our Cybercrime program managers and intelligence analysts focus on intelligence surrounding cybersecurity threats, organized cyberattack threats, and virtual currency crimes.

Postal Inspection Service Liaison to the National Cyber Forensic Training Alliance

Our Cybercrime personnel located on site at the National Cyber Forensics & Training Alliance (NCFTA) in Pittsburgh, PA, provide liaison relationships to the multiple public/ private organizations that are members of the NCFTA. The overall purpose of the NCFTA is to bring government, law enforcement, and private organizations together in order to combat various types of cybercrime.

One focus area of the USPIS Cybercrime NCFTA liaisons during FY 2020 was in the area of malware and cyber threats. Analytics Cyber Group personnel at NCFTA partnered with the NCFTA Malware & Cyber Threat (MCT) Group to provide technical malicious indicators to the USPS Corporate Information Security Office (CISO). As of August 31, 2020, we provided CISO with 835,485 suspected malicious domains, 348,063 suspected malicious IP addresses, and 455 malicious file (MD-5) hashes. By means of the Threat Intelligence Platform, CISO utilizes the provided real-time malicious indicators to protect the USPS network, as well as derive intelligence from indicators of compromise.

During FY 2020, our Analytics Cyber Group also partnered with the USPS Treasury group concerning skimming devices on Post Office Point of Sale (POS) credit card readers or Self-Service Kiosks (SSKs). The partnership assists USPS Treasury in maintaining Payment Card Industry (PCI) compliance. USPS Treasury has proactively rolled out the requirement for USPS locations to conduct daily reviews of the POS credit card readers and SSKs. The reviews are intended to identify payment device tampering and provide a law enforcement response if needed. During FY 2020, the Analytics Cyber Group sent out 11 referrals to the field related to USPS reports of device tampering that may indicate skimming devices within the USPS.



Preparing Our Workforce

The Career Development Unit (CDU) is responsible for preparing, developing, and training our workforce to fulfill the mission of the U.S. Postal Inspection Service. CDU has oversight of the Basic Inspector Training and Postal Police Officer Basic Training programs, both of which have maintained Federal Law Enforcement Training Accreditation (FLETA) status since 2005. Our academy is one of only 16 FLETA accredited training centers in the nation. CDU also oversees the Assessment Center process for Postal Inspector applicants, the Polygraph Unit, and In-Service training programs — including the Leadership and Employee Development Program (LEDP).





The development of the new Inspection Service HERO training platform expanded CDU's ability to provide training to all Postal Inspection Service personnel. The USPIS-HERO platform, along with the Resource Management System (RMS) enabled personnel to complete a combined variety of 105 online courses.

Prior to the impact of the COVID-19 pandemic, the CDU in-service training staff delivered 20 classroom offerings to 426 Inspection Service participants and conducted nine subject matter expert (SME) meetings.

After the significant disruption of COVID-19 on the scheduled trainings, CDU instituted protocols for face coverings and social distancing. With these protocols in place, the in-service staff adapted to deliver Zoom and socially distanced SME meetings, and the threat management team modified trainings to deliver three rifle classes and one MP-5 operator course.

When the COVID pandemic hit the nation, CDU had one BIT and one PPOBT class in session. CDU staff quickly mobilized to graduate the PPOBT class ahead of schedule and transitioned the BIT class to a remote learning environment—a first in the history of CDU. BIT Class 2020-01 completed nine weeks of the 16-week pilot iteration of the new BIT program before the transition to a virtual environment. Once COVID protocols were developed to include weekly COVID tests, face coverings, and social distancing, BIT class 2020-01 returned to complete their training.

The Assessment Center process ensures Postal Inspector applicants travel to CDU and are assessed through an inbox exercise, panel interview, and group exercise where they are required to demonstrate the necessary knowledge, skills, and abilities to be a Postal Inspector. They are also required to participate in a physical fitness assessment and undergo a polygraph administration. Prior to the COVID pandemic, CDU conducted nine Assessment Center events, assessing 176 Postal Inspector applicants.

The Inspection Service Polygraph Unit supports the field through the consultation and administration of polygraph examinations in support of various criminal investigations. They also support the Postal Inspector hiring process through the administration of applicant exams.

During FY 2020, polygraph examiners conducted 16 criminal examinations in support of field investigations and 109 examinations for Postal Inspector applicants.

COVID/Peak Hiring

During FY 2020, Security Investigations Service Center (SISC) adjudicators processed 154,808 NACI background investigations for non-career employees. The unusually high number was in support of COVID-related service demands, which coincided with the Postal Service's annual peak season hiring efforts. Through this process, we fostered stronger relationships with Postal Service Human Resources and other key stakeholders through continual communication, both written and virtual. This included discussions of cases on hand, addressing service/partnership needs, modifications to in-house scheduling necessary to meet ongoing demands, adapting processes in response to court closures, and identifying other issues that could potentially impact our ability to meet staffing commitments across the agency.





Type of Investigation	Cases Initiated	Arrests*	Convictions*
Assaults and Threats	631	259	144
Burglary	202	68	38
Child Exploitation	10	8	11
Mail Fraud	586	426	358
Mail Theft (theft and possession of stolen mail)	1,258	1,622	1,321
Prohibited Mail Narcotics (narcotics, steroids, drug proceeds, and drug paraphernalia)	2,495	2,220	1,613
Money Laundering (postal money orders)	46	41	28
Nonmailable, Restricted Matter (firearms, weapons, intoxicants, extortion threats, and miscellaneous matter)	127	68	59
Revenue Investigations	27	13	19
Robbery	140	51	31
Security and Crime Prevention (consumer out- reach and security countermeasures)	385	0	0
Suspicious Substances and Items (includes bombs, explosives, threats, hazardous items, non-threatening items, and hoax CBRNE**)	57	27	20
Total	5,964	4,803	3,642

* Arrests and convictions reported in this period may be related to cases initiated in prior reporting periods. Convictions include pretrial diversions.

** CBRNE refers to chemical, biological, radiological, nuclear, and explosive material.

A Final Message to Postal Employees

Throughout 245 years of United States history, few years could boast as many crises and changes as we have faced in the past 12 months. The unusual challenges of Fiscal Year 2020 have made abundantly clear just how vital the men and women of the U.S. Postal Service are to the nation's infrastructure, our economy, our election system, and the general welfare of the public we serve.

We at the Postal Inspection Service consider it a privilege and honor to serve our parent agency, so it can better serve the American people. It is our sacred duty and mission to protect postal employees, our customers, the integrity of our mail system, and the postal brand.

We recognize that those of you on the front lines of the Postal Service are real heroes. You have proven it over the last year, through your tireless and dedicated service. Each day this past year, you delivered crucial supplies, medicine, stimulus checks, and more. And you did all this despite a global pandemic, times of civil unrest, and unprecedented parcel volumes.

On behalf of the Postal Inspection Service and to all of you:

To the mail handlers in our processing plants...

To the clerks at our retail counters...

To the city and rural carriers on our nation's streets and gravel roads...

To the transportation, support, and management personnel...

To each one of the more than 630,000 career and non-career employees who keep the U.S. Mail moving every day...

Thank you for your service.

Gary R. Barksdale

Chief Postal Inspector





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