

**Testimony of Assistant Inspector
General for Audits Sondra
McCauley**

**Before the Committee on
Homeland Security**

**Subcommittee on Intelligence
and Counterterrorism**

U.S. House of Representatives

**“Homeland Security Implications
of the Opioid Crisis”**





OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Chairman Rose, Chairwoman Rice, Ranking Members Walker and Higgins, and members of the Subcommittees, thank you for inviting me to testify today about fentanyl and the challenges the U.S. Customs and Border Protection (CBP) faces in its efforts to interdict this dangerous substance at our Nation’s ports of entry and multiple mail facilities.

Imports of opioids such as fentanyl are a tremendous problem in the United States. In 2016, more people died from opioid-related causes than traffic accidents.

Opioid Deaths by Comparison

Year	Opioids	Traffic Accidents
2015	33,000	35,485
2016	42,249	37,461

Source: Office of Inspector General (OIG)-developed, based on web-based information from the Centers for Disease Control, White House, and National Highway Traffic Safety Administration

These illegal drugs have a devastating impact on the Nation’s population, tearing apart families and communities. Therefore, the White House has declared the opioid epidemic a nationwide public health emergency that requires the mobilization of government, local community, and private organizations.

Given CBP’s frontline responsibility to secure the Nation’s borders from imports of illegal drugs and contraband, the component plays a major role in helping to end the opioid crisis. Recognizing that airports are a major entry point for illegal drug imports, Congress has held multiple hearings on the threats inherent in arriving international air mail. At a May 2017 hearing, CBP’s Executive Assistant Commissioner for the Office of Operations Support stated:

The majority of U.S. trafficked illicit fentanyl is produced in other countries such as China, and is principally smuggled through international mail facilities, express consignment carrier facilities (e.g., FedEx and UPS), or through POEs [ports of entry] along the Southern land border.

Today my testimony will focus on the results of two audits recently conducted by the Department of Homeland Security Office of Inspector General (OIG). In September 2018, we reported that CBP had ineffective processes and IT security controls to support air mail inspection operations at John F. Kennedy International Airport (JFK).¹ Additionally, as a result of an ongoing audit of CBP’s storage of seized drugs, last week we issued a management alert detailing CBP’s inadequate

¹ *CBP’s International Mail Inspection Processes Need Improvement at JFK International Airport (Redacted)*, OIG-18-83 (September 2018).

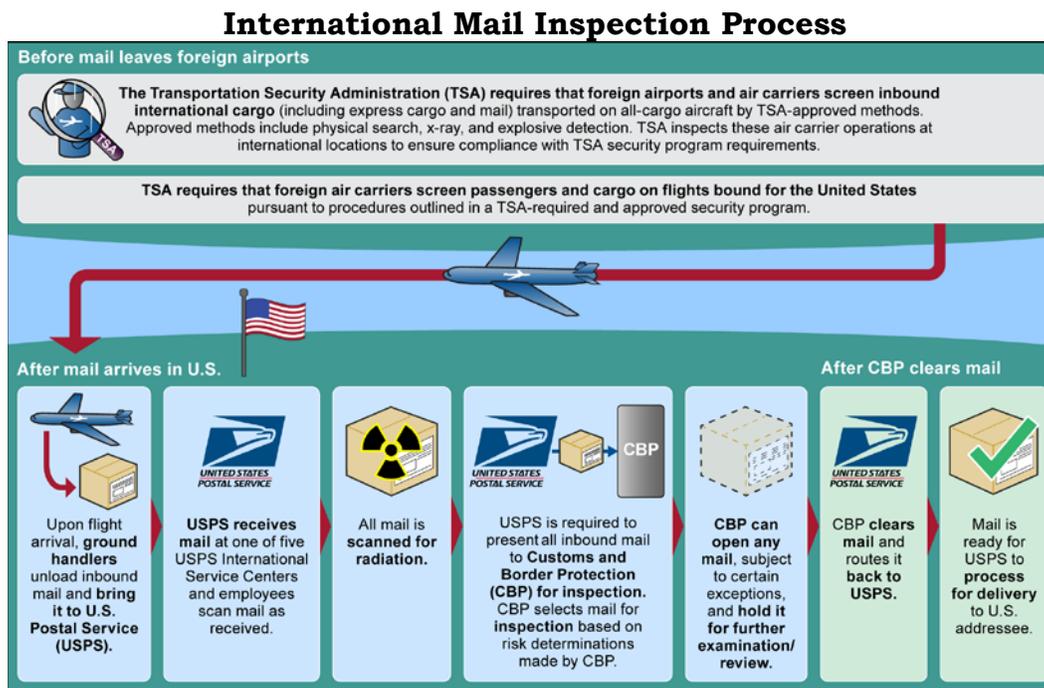


OFFICE OF INSPECTOR GENERAL Department of Homeland Security

protection of its staff from powerful synthetic opioids.² The results of both reports are discussed further in my testimony.

CBP's International Air Mail Inspection is Not Effective to Stop Illegal Drugs from Entering the United States

With limited exceptions, all inbound international air mail is subject to CBP inspection.³ The Transportation Security Administration requires that foreign airports and air carriers initially screen international cargo headed to the United States. Then, when a flight lands, ground handlers at the airport provide all mail to the United States via the United States Postal Service (USPS), which transports the mail through a CBP radiation scanning portal for preliminary examination. CBP officials make subjective as well as risk-based determinations as to what portion of the mail to select for further inspection. For example, CBP officials at JFK use knowledge gained from past experience to identify arriving international mail that may contain illegal or prohibited items. When, upon CBP examination, a mail article is found to contain prohibited material, the article is subject to seizure and forfeiture.



Source: Government Accountability Office (GAO), *Costs and Benefits of Using Electronic Data to Screen Mail Need to Be Assessed*, GAO-17-606, August 2, 2017

² *Management Alert – CBP Did Not Adequately Protect Employees from Possible Fentanyl Exposure*, OIG-19-53.

³ CBP does not inspect mail believed to contain only documents for U.S. Government officials or mail addressed to ambassadors of foreign countries.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Our audit focused on CBP's air mail inspection processes at the John F. Kennedy International Airport (JFK) airport. The USPS International Service Center at JFK is the largest of nine USPS facilities nationwide that receive and process incoming international mail. In fiscal year 2016, USPS recorded an inbound international mail volume at JFK that constituted more than half of the hundreds of millions of pieces of international mail arriving annually at all international mail facilities. Given its inability to inspect the total volume of international mail arriving at the airport daily, CBP requires by memorandum of understanding that USPS provide for inspection specific subsets of the international mail that arrives daily at JFK.⁴

CBP officials treat the various categories of international mail (First Class, Registered Mail, Express Mail, and Priority Parcel) differently based on their experience and perceptions of potential risk. Additionally, beginning in July 2014, CBP piloted, to a limited extent, the use of the Automated Targeting System (ATS) to help identify mail at JFK that may pose a high risk of containing narcotics or other contraband. ATS is a decision support tool that compares traveler, cargo, and conveyance information against law enforcement, intelligence, and other enforcement data using risk-based scenarios and assessments.

Of the mail selected for inspection, CBP screens and physically examines packages deemed to be high risk. If a problem is found, mail is held for secondary inspection (i.e., manual inspection and chemical analysis, as appropriate). During secondary inspection, CBP determines whether the package should be seized or returned to USPS for processing. If illegal drugs or contraband are discovered, CBP must maintain documentation pertaining to the mail seizure and preserve the integrity of the item to the extent possible.

Deficiencies in CBP's International Mail Inspection Process

We identified a number of deficiencies in CBP's inspection processes at JFK that inhibit CBP's ability to prevent illegal drugs and contraband from entering the country, including: (1) CBP does not inspect all international mail selected for inspection; (2) CBP does not inventory all mail selected for inspection; (3) the ATS pilot for targeting mail has limited impact; and, (4) CBP's chemical analysis process for detecting illegal opioids in arriving air mail is problematic.

⁴ "Memorandum of Understanding Between the U.S. Department of Homeland Security, U.S. Customs and Border Protection and the U.S. Postal Service Regarding Cooperation in the Inspection of Goods Imported or Exported Through the Post," September 1, 2017.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

1. CBP Does Not Inspect All International Mail

CBP does not inspect all international mail selected for inspection for a number of reasons. For example, CBP did not have an adequate number of canine teams trained to detect narcotics. Further, CBP's inspection of international mail was limited because CBP staff did not have the equipment needed to inspect the hundreds of thousands of pieces of international air mail that arrive at JFK each day. CBP has limited, outdated x-ray devices at JFK that officers use daily to examine only a portion of the incoming mail, one piece at a time. According to the memorandum of agreement with USPS, CBP requests that USPS provide mail packages based, for example, on knowledge and experience regarding whether that the country is a primary source of illegal drug smuggling to the United States.

Moreover, CBP staff told us that certain items arriving from China may be considered high risk. Despite the large volume and high-risk nature, CBP largely overlooks these items because of a lack of guidance. Although the nature of international mail has changed significantly, CBP has not updated its *International Mail Operations and Enforcement Handbook* since August 2001. CBP also has not updated the guidance to identify new illegal substances such as fentanyl arriving in international mail.

2. CBP Does Not Inventory Mail Selected for Inspection

CBP does not keep record of mail selected for inspection, asserting that the large volume of daily arriving air mail and the labor-intensive process of examining selected mail piece-by-piece do not lend themselves to inventory. Without an inventory, CBP could not ensure that USPS provided all the mail it requested for inspection purposes. We determined that USPS scans and inventories all mail it provides to and receives from CBP. However, CBP has no agreement with USPS to leverage this inventory to keep an account of the mail it selects for inspection. CBP's *International Mail Operations and Enforcement Handbook* also does not require staff to maintain an inventory of the mail they x-ray.

CBP also lacks a process to substantiate that all mail selected for inspection is actually inspected. Without an inventory process, CBP has no means of ensuring it inspects all the high-risk mail it selects for examination and therefore might be allowing prohibited items to be delivered undetected. CBP officials asserted they inspected all international air mail that they requested of USPS; however, CBP had no means of proving this assertion.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

3. ATS Pilot Had Limited Impact on the Inspection Process

The ATS pilot for targeting mail has had limited impact due to USPS' difficulty in locating the mail targeted for inspection. ATS is intended to help CBP identify mail that might pose a high risk of containing narcotics or other contraband, but CBP used this system to target only 0.01 percent of the packages arriving each day at JFK. This was based on an agreement between USPS and CBP as to what USPS could reasonably provide to CBP on a daily basis. Even with targeting set at this low percentage, USPS is not able to physically locate and hand over all requested items to CBP. Searching through hundreds of thousands of pieces of mail each day to identify the targeted ones is a huge, labor-intensive process. Instead, if the targeted mail is in a large bag, USPS will provide the entire bag to CBP. CBP officers must then search through the bag to locate the targeted item, in addition to carrying out their routine inspection responsibilities.

The limited targeting is also due to a lack of advance data on inbound mail for input to ATS to support the mail targeting process. Specifically, the data CBP uses for targeting comes from foreign post offices that provide the data to USPS in advance of the mail being transported. Not all foreign post offices provide sufficient data for use in ATS for targeting purposes. Further, the USPS does not have agreements with all foreign post offices (e.g., China) to provide this data in advance.

4. CBP's Chemical Analysis Process Is Problematic

CBP's chemical analysis process for detecting illegal opioids in arriving suspicious air mail is problematic because of inadequate equipment and processes and potential hazards to workers. This process entails CBP officers opening the mail and inserting a hand-held device in a suspicious package to get a preliminary reading of the chemical makeup of the contents. If the reading indicates a potential prohibited item, the officers take a small sample and use a separate chemical analysis device to get a second digital reading of the chemical composition of the sample. Officers then forward the digital reading to CBP's Laboratories and Scientific Services Directorate for additional remote diagnostics. If the results conclusively indicate a prohibited item, CBP officers seize the item and prevent its import to the United States.

CBP Enforcement Blitz Has Helped Determine Extent of Air Mail Drug Smuggling Problem

CBP managers may conduct enforcement "blitzes" — periodic, short-term offensive operations — to determine the risks inherent in specific classes or subsets of arriving international mail. CBP managers determine the selection criteria for such



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

blitzes. The blitzes can help validate existing presumptions regarding mail provided by USPS and identify additional areas to focus enforcement or revenue activities.

In January 2017, CBP conducted a 5-day blitz, Operation Mail Flex, to verify that USPS was being used to mail opioids to the United States. For this operation, CBP targeted a specific subset of arriving mail: express mail from China and Hong Kong. From Operation Mail Flex, CBP estimated the number of pieces of express mail that arrived at JFK from just those two countries. CBP randomly examined pieces of the mail and seized 43 percent of the express mail packages included in its review. The seized packages included fentanyl shipments that collectively totaled 5.31 pounds. We can conclude that if CBP had examined the remaining universe of mail, it might have discovered and seized a higher number of packages possibly containing additional pounds of fentanyl.

Although the results of Operation Mail Flex have largely been helpful in estimating the extent of illegal imports in express mail from China and Hong Kong, they have been inadequate in identifying other threats. To more fully understand the extent of the problem, CBP would need to regularly perform and document blitz operations on additional mail. CBP would then be better able to prioritize and apply its limited resources toward inspecting the types of international mail that likely contain the highest number of illegal opioids.

To address these deficiencies, we recommended that:

- The Executive Assistant Commissioners for Field Operations and Operations Support conduct an analysis to determine the additional staff, canines, x-ray scanning machines, and hand-held chemical analysis devices needed to adequately address the threat from opioids arriving daily in the large volume of international mail.
- The Executive Assistant Commissioners for Field Operations and Operations Support assign and dedicate canine teams as appropriate to detect opioids at the international mail facility on a daily basis.
- The Assistant Commissioner for the Office of Information and Technology (OIT) and the Executive Assistant Commissioners for Field Operations and Operations Support jointly document arriving international air mail received from USPS, scanned by CBP, and returned to USPS.
- The Executive Assistant Commissioners for Field Operations and Operations Support update CBP's *International Mail Operations and Enforcement Handbook* to reflect all types of arriving international mail.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

- The Executive Assistant Commissioners for Field Operations and Operations Support perform and document periodic 'Mail Flex' operations, including use of canine teams, to better determine the size and scope of the threat inherent in specific classes of mail and from specific countries.

CBP concurred with these recommendations and planned to take a number of steps to address these issues. For example, CBP planned to conduct a cost benefit analysis to determine the staff levels, canine teams, and technology needed to address the threat of illicit opioids in international mail at the JFK International Mail Facility (IMF). CBP also replaced all x-ray machines as of November 2017. CBP also planned to revise the *International Mail Operations and Enforcement Handbook* to reflect the current operational conditions in relation to arriving international mail.

International Air Mail Suspected of Containing Contraband Is Not Inventoried or Physically Controlled

Despite mail handling requirements, CBP officers responsible for inspecting arriving international air mail identify, but do not track or physically safeguard, packages suspected of containing contraband. CBP provides overarching guidance for its airmail inspection processes⁵ and standards that CBP personnel must follow when initiating and handling seized mail.⁶ According to CBP's *International Mail Operations and Enforcement Handbook*, and *Seized Asset Management and Enforcement Procedures Handbook*, mail items should be secured, any suspicious substance must be positively identified, and the substance must be extracted from its conveyance, weighed or counted, and placed in a seizure bag. Also, according to CBP's *Seized Asset Management and Enforcement Procedures Handbook* timely input of data into CBP's Seized Assets and Case Management System (SEACATS) is critical.

However, CBP does not track a suspicious package until several days after the package is initially held for further review. Specifically, upon identifying a suspicious package, CBP officers place it on a cart that is subsequently relocated to a secure room. Officers take a small sample of the contents of the package, place it in a Fourier-Transform Infrared and Raman device for analysis, and submit the resulting report to CBP's lab for verification of the chemical contents. Given lab staffing constraints, at the time of our audit, CBP officers could only send a limited

⁵ *International Mail Operations and Enforcement Handbook*, and *Seized Asset Management and Enforcement Procedures Handbook*.

⁶ U.S. Customs and Border Protection, Office of Field Operations, Fines, Penalties & Forfeitures Division, *Seized Asset Management and Enforcement Procedures Handbook*, U.S. CBP, HB 4400-01B, July 2011.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

number of samples a day for chemical verification — the amount that available lab officials could typically turn around in a 24-hour period.

Not until the CBP lab provides positive confirmation of prohibited chemical contents is the suspicious package considered to warrant formal mail seizure. CBP officers still have additional time to input data on the seized asset into SEACATS. With this data input, the officers can begin to track the item.

CBP officials do not physically control all mail suspected, but not yet confirmed, of containing contraband. During the entire process leading up to asset seizure and SEACATS data input, the suspicious package is not physically secured. The package remains open, stowed on a cart amid piles of other packages. The open mail package also is not placed in an evidence bag to secure the contents prior to formal seizure.

Further, during the process leading up to asset seizure and SEACATS data input, the suspicious package is not secured from potential loss or damage to its contents. The physical layout of the JFK IMF inhibits CBP's ability to demonstrate that an identifiable person always has physical custody of suspicious mail. Specifically, the JFK IMF is a large, old, shared facility that has not been retrofitted with physical barriers to compartmentalize USPS and CBP operations. Similarly, there are no physical control points to separate international mail "cleared" by CBP for delivery from "suspect mail" held for secondary inspection. The mail that USPS initially provides for inspection, as well as mail that CBP clears and returns to USPS, is stored in open carts at the JFK IMF side-by-side in the same area.

Due to outdated equipment, CBP officials do not always include required documentation in the SEACATS case files on seized assets. The *International Mail Operations and Enforcement Handbook* requires x-rays of seized packages, which are needed to document the contents of the unopened package. However, according to the officers, outdated x-ray machines were in use at the time of our July 2017 site visit.

To address these deficiencies, we recommended that:

- The Assistant Commissioner for the OIT and the Executive Assistant Commissioners for Field Operations and Operations Support jointly establish adequate internal control processes, including maintaining inventories and physically securing suspicious mail that may be seized following additional review.
- The Executive Assistant Commissioners for Field Operations and Operations Support jointly update the *Seized Asset Management and Enforcement*



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

Procedure Handbook and the *International Mail Operations and Enforcement Handbook* to outline all of the precautions necessary to safeguard suspicious mail prior to formal seizure.

CBP concurred with these recommendations and planned to take a number of steps to address these issues. For example, CBP planned to develop an automated technical solution to maintain an accurate inventory of segregated international mail items that are subject for further scrutiny but not yet seized. CBP also planned to revise the *International Mail Operations and Enforcement Handbook* and the *Seized Asset Management and Enforcement Procedure Handbook*.

CBP has already taken action to close one of the total nine recommendations in our report. We are in the process of reviewing the actions CBP has taken to implement the other eight recommendations.

CBP Lacks Necessary Precautions to Protect its Staff from Fentanyl

Last week, we issued a management alert notifying CBP about an issue requiring immediate attention. During an ongoing audit of CBP's storage of seized drugs we visited seven permanent vaults and determined that the component does not adequately protect its staff from the dangers of accidental exposure to powerful synthetic opioids,⁷ such as fentanyl, because CBP has not always made available naloxone, a medication for treating narcotic overdose. OFO officials could not explain why OFO does not by policy require naloxone to treat staff in case of potentially lethal exposure. Officials also could not explain why they sometimes stored naloxone in lock-boxes at vaults, which are secure facilities.

Specifically, seven permanent vaults we visited during fieldwork were missing the necessary precautions to protect CBP staff (i.e., Office of Field Operations (OFO) Seized Property Specialists) from opioids such as fentanyl. Two of the vaults did not have naloxone. The other five vaults contained naloxone, but two of the five had the medication locked in boxes with codes. One of the two vaults with naloxone in a lock-box also contained the largest recent seizure of fentanyl in CBP history. At that vault, staff had taped a piece of paper bearing the code to this vault on the wall next to the lock-box. However, when asked to open the lock-box at the other vault, staff could not do so because they could not remember the code. If actually exposed to fentanyl, a person could die without prompt access to naloxone.

This lack of access to naloxone occurred because CBP does not have an official policy with required standard practices for handling fentanyl and safeguarding personnel against exposure. Although SPS's use CBP's *Seized Asset Management and Enforcement Procedures Handbook* to guide daily vault operations, the

⁷ Examples of opioids include heroin, morphine, oxycodone, and fentanyl.



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

handbook was last updated in July 2011 and it does not include specific procedures for managing fentanyl. OFO also does not require mandatory training for its staff who typically come into contact with fentanyl so they understand the hazards and the methods to combat accidental exposure. OFO personnel typically take some precautionary measures when seizing suspected fentanyl, such as wearing personal protective equipment; not disturbing packaging and sending fentanyl to a laboratory for testing; and double bagging, sealing, and clearly labeling seized property. However, lacking updated guidance and training, some CBP offices have established their own practices for handling fentanyl.

As of April 2019, CBP had stored about 3,500 pounds of fentanyl — up from 70 pounds in 2015, and OFO may store fentanyl in its permanent vaults for up to 60 days and, in cases of prosecution, for years. Without easy access to naloxone in case of exposure, CBP is unnecessarily jeopardizing the lives, health, and safety of its staff. CBP's lack of guidance and training on safely handling fentanyl further increases the risk of injury or death to its employees.

We recommended that CBP include guidance in its handbook for handling and storing opioids, which at a minimum should include a requirement to make naloxone available to all employees and training in administering naloxone. CBP concurred with our recommendation and issued a memo on June 24, 2019, directing that all OFO permanent vaults be equipped with naloxone nasal spray kits and lock boxes and that SPS's be trained on the proper usage of the spray, an understanding of fentanyl, and methods to combat accidental exposure. We consider these actions responsive to the recommendation and will close the recommendation after CBP confirms distribution of materials to all 62 vaults, confirms personnel have received training, includes training at the Federal Law Enforcement Training Centers as part of the seized property basic course, and updates guidance in its handbook.

Ongoing OIG Work Related to Interdiction of Dangerous Substances

The OIG has a number of ongoing audits related to the Department's ability to interdict dangerous substances, like fentanyl. We will be reporting on these issues later this year. These audits include:

- An ongoing audit to determine whether DHS effectively transports, stores, and destroys seized illicit drugs.
- Two audits covering the Department's drug interdiction technology. In the first audit, we are assessing to what extent CBP's Office of Field Operations uses small-scale chemical screening devices at ports of entry to identify fentanyl and other illicit narcotics. In the second audit, we will determine to



OFFICE OF INSPECTOR GENERAL

Department of Homeland Security

what extent the Department ensures components are coordinating the procurement and use of small-scale drug interdiction technology.

- Our office is also conducting a follow-up audit of CBP's physical security and international mail inspection processes at JFK to determine whether CBP air mail inspection processes at JFK are adequate and to identify impediments to effective screening, tracking, and safeguarding of incoming mail.

Mr. Chairman and Ms. Chairwoman, this concludes my testimony. I am happy to answer any questions you or other members of the Subcommittees may have.