



# OFFICE OF INSPECTOR GENERAL

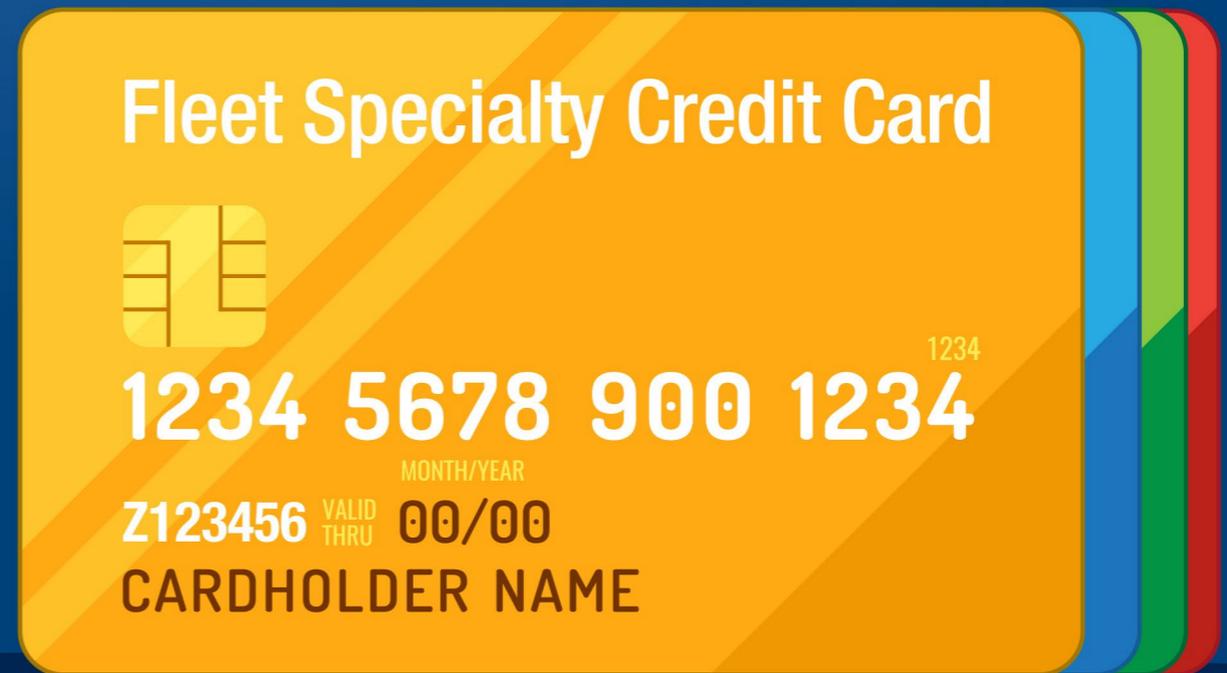
UNITED STATES POSTAL SERVICE

## Fleet Specialty Credit Cards – Eastern Area

### Audit Report

Report Number  
DR-AR-17-002

March 27, 2017





# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

## Highlights

***This fleet specialty credit card is issued to each facility with assigned vehicles and to Vehicle Maintenance Facilities (VMF) to pay for maintenance or repairs over \$300.***

## Background

The U.S. Postal Service operates one of the largest vehicle fleets in the U.S. In fiscal year (FY) 2016, the Postal Service used over 227,000 vehicles, primarily to deliver and collect mail. Management assigns every postal-owned vehicle one fleet credit card to pay for commercially purchased fuel, oil, and maintenance expenses of up to \$300.

In addition to these cards, the Postal Service has several fleet specialty credit cards, including, most commonly, the Z credit card. This fleet specialty credit card is issued to each facility with assigned vehicles and to Vehicle Maintenance Facilities (VMF) to pay for maintenance or repairs over \$300. The Z credit card can also be used to pay for fuel or repairs for vehicles with lost, stolen, or damaged fleet credit cards.

Site managers should monitor all Z credit card purchases to prevent unauthorized charges. They must check for unauthorized transactions and investigate all transactions without receipts to determine whether the purchases were legitimate. Each month, site managers certify that they have reviewed supporting documentation for transactions and will maintain these documents for 2 years.

Site managers must also ensure the VMF that services their vehicles receives a copy of each maintenance invoice or receipt. The VMF enters the maintenance invoice or receipt details into a work order in the Solution Enterprise Asset

Management System (SEAM) to maintain complete service records for each vehicle in the fleet.

Additionally, site managers maintain and secure the Z credit cards and the personal identification number (PIN) list. PINs are confidential numbers randomly assigned to Postal Service employees and are used to authorize purchases made with fleet specialty credit cards.

The Eastern Area was selected based on the amount of fleet specialty card purchases in 2016, which totaled \$23.9 million. This was one of the top five areas for fleet specialty credit card purchases.

Our objective was to assess the effectiveness of controls over fleet specialty credit cards in the Eastern Area.

## What the OIG Found

Controls over fleet specialty credit cards in the Eastern Area were not always effective. We reviewed a statistical sample of 207 transactions for fuel and non-fuel purchases and determined that 86 (42 percent) were not supported by invoices or receipts. Of the 207 transactions we reviewed, 149 were non-fuel transactions, and 103 of those (69 percent) were not included in vehicle maintenance records in SEAM. Further, at 17 of 22 delivery units visited, we found that management did not secure or update PIN lists and some PINs were assigned to merchants. Management also did not properly safeguard



# OFFICE OF INSPECTOR GENERAL

## UNITED STATES POSTAL SERVICE

### ***Controls over fleet specialty credit cards in the Eastern Area were not always effective.***

fleet specialty credit cards at 13 of 22 delivery units. We made referrals to our Office of Investigations, as appropriate.

These conditions occurred because of inadequate management oversight of the fleet specialty credit card transaction review process and related security requirements. Specifically, management did not ensure fleet specialty credit card transactions and related supporting documentation were reviewed at least monthly, maintained for 2 years, and provided to the appropriate VMFs as required. Also, management did not ensure that PINs and fleet specialty credit cards were properly managed and secured.

Without management oversight to ensure receipts, invoices, or work orders to support credit card transactions and PINs are properly administered, site managers and VMF managers

are unable to determine if charges are appropriate or if vehicle maintenance records are complete. We estimate the Eastern Area incurred \$9.9 million in questioned costs for unsupported fleet specialty credit card transactions in FY 2016.

### **What the OIG Recommended**

We recommended management issue a directive instructing site managers to ensure fleet specialty credit card transactions and related supporting documentation are reviewed at least monthly, maintained for 2 years, and provided to the appropriate VMFs.

We also recommended management direct all site managers to follow fleet specialty credit card guidance to properly manage and secure PINs and fleet specialty credit cards.

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

March 27, 2017

**MEMORANDUM FOR:** JOSHUA D. COLIN, Ph.D.  
VICE PRESIDENT, EASTERN AREA

E-Signed by Janet Sorensen  
VERIFY authenticity with eSign Desktop

A handwritten signature in cursive script, appearing to read "Janet M. Sorensen", written over a light gray background.

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

**SUBJECT:** Audit Report – Fleet Specialty Credit Cards – Eastern Area  
(Report Number DR-AR-17-002)

This report presents the results of our audit of Fleet Specialty Credit Cards in the Eastern Area (Project Number 17RG001DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita Oliver, director, Delivery, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management  
Vice President, Delivery Operations

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# Findings

***These conditions occurred because of inadequate management oversight of the fleet specialty credit card transaction review process and related security requirements.***

## Introduction

This report presents the results of our self-initiated audit of fleet specialty credit card controls in the Eastern Area (Project Number 17RG001DR000). Our objective was to assess the effectiveness of controls over fleet specialty credit cards for delivery operations in the Eastern Area. This audit is the first in a series of audits on fleet specialty credit cards. See [Appendix A](#) for additional information about this audit.

Every postal-owned vehicle is assigned one fleet credit card that can be used to pay for commercially purchased fuel, oil, and routine maintenance expenses up to the \$300 transaction limit. In addition to the fleet credit cards, the Postal Service has several fleet specialty credit cards. The most commonly used of these cards, the Z credit card, is issued to each facility with assigned vehicles and to vehicle maintenance facilities (VMF) to pay for maintenance or repairs over \$300. The Z credit card can also be used to pay for fuel or repairs for vehicles with lost, stolen, or damaged fleet credit cards.

All Z credit card purchases should be monitored by site managers to prevent unauthorized charges. Site managers must also ensure the VMF that services their vehicles receives a copy of each maintenance invoice or receipt. The VMF then enters the maintenance invoice or receipt details into a work order in the Solution for Enterprise Asset Management System (SEAM) to maintain complete service records for each vehicle in the fleet.

The Eastern Area was selected based on the amount of fleet specialty card purchases in 2016, which totaled \$23.9 million. This was one of the top five areas for fleet specialty card purchases.

## Summary

Controls over fleet specialty credit cards in the Eastern Area were not always effective. We reviewed a statistical sample of 207 transactions for fuel and non-fuel purchases and determined that 86 (42 percent) were not supported by invoices or receipts. Of the 207 transactions we reviewed, 149 were non-fuel transactions, and 103 of those (69 percent) were not included in vehicle maintenance records in SEAM. Further, at 17 of 22 delivery units visited, we found that management did not secure or update personal identification number (PIN) lists and some PINs were assigned to merchants. Management also did not properly safeguard fleet specialty credit cards at 13 of 22 delivery units. We made referrals to our Office of Investigations, as appropriate.



***For the 22 judgmentally selected delivery units we visited, we found files were incomplete, unorganized and inefficiently maintained, making it difficult to locate and retrieve supporting documentation.***

These conditions occurred because of inadequate management oversight of the fleet specialty credit card transaction review process and related security requirements. Specifically, management did not ensure fleet specialty credit card transactions and related supporting documentation were reviewed at least monthly, maintained for 2 years, and provided to the appropriate VMFs. In addition, management did not ensure that PINs and fleet specialty credit cards were properly managed and secured.

Without management oversight to ensure receipts, invoices, or work orders to support credit card transactions and PINs are properly administered, site managers and VMF managers are unable to determine if charges are appropriate or if vehicle maintenance records are complete. We estimate the Eastern Area incurred \$9.9 million in questioned costs for unsupported fleet specialty credit card transactions in FY 2016.

### **Fleet Specialty Credit Cards**

Our analysis showed that of the 207 statistical sample transactions for fuel and non-fuel purchases, 86 (42 percent) were not supported by invoices or receipts. This resulted in over \$9.9 million in questioned costs (see Table 1).

**Table 1: Fleet Specialty Credit Card Transaction Support Analysis**

<b>Sample Size</b>	<b>Number of Unsupported Transactions</b>	<b>Percentage of Unsupported Transactions</b>	<b>Number of Supported Transactions</b>	<b>Percentage of Supported Transactions</b>	<b>Questioned Costs</b>
207	86	42%	121	58%	\$9,963,140

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of the Fuel Asset Management System (FAMS) and Eastern Area documentation.

We requested supporting documentation from Eastern Area management in addition to visiting 22 judgmentally selected delivery units and 12 VMFs to obtain invoices or receipts for the 207 statistical sample transactions. The Voyager Fleet Card Standard Operating Procedure<sup>1</sup> (SOP) requires site managers to certify that they have obtained, reviewed, and maintained supporting documentation for transaction records (see [Appendix B](#)).

Some site managers stated they did not have enough time to review transactions and maintain records properly. For the 22 judgmentally selected delivery units we visited, we found files were incomplete, unorganized and inefficiently maintained, making it difficult to locate and retrieve supporting documentation. We also identified a difference in filing procedures, with some delivery units storing receipts in envelopes or files for each fleet credit card and others using cardboard boxes for all fleet credit cards (see [Figure 1](#)). The Voyager Fleet Card SOP<sup>2</sup> requires that receipts or invoices documenting fleet specialty credit card transactions be retained for 2 years.

<sup>1</sup> Voyager Fleet Card Standard Operating Procedure (SOP), Section 4, Responsibilities, July 17, 2015.

<sup>2</sup> Voyager Fleet Card Standard Operating Procedure (SOP), Section 4, Account Reconciliation, July 17, 2015.

**Figure 1. Support Documentation Management**



Source: OIG photographs taken December 7, 2016, and November 1, 2016.

Additionally, 103 of 149 non-fuel receipts or invoices were not supplied to the servicing VMF to allow accurate vehicle maintenance records in SEAM. The Voyager Fleet Card SOP<sup>3</sup> requires site managers to certify that they have supplied copies of non-fuel invoices to the VMF that services their vehicles (see [Appendix C](#)).

**Table 2. Non-Fuel Transaction Work Order Analysis**

Sample Size	Number of Fuel Transactions	Number of Non-Fuel Transactions	Non-Fuel Transactions Without Work Orders	Percentage of Non-Fuel Transactions Without Work Orders
207	58	149	103	69%

Source: OIG analysis of SEAM, FAMS, and Eastern Area documentation.

**Unsecured Personal Identification Numbers**

PINs were not properly managed at 17 of 22 delivery units. Specifically, we found unsecured or outdated PIN lists. These lists should be updated semiannually. Additionally, OIG analysis identified that 25 of the 207 statistical sample transactions (12 percent), valued at \$9,986, were authorized using PINs issued to merchants instead of Postal Service employees (see [Table 3](#)). We referred these instances to the Office of Investigations, as appropriate.

<sup>3</sup> Voyager Fleet Card Standard Operating Procedure (SOP), Section 4, Account Reconciliation, July 17, 2015.

**Table 3. Transactions Authorized Using Merchant PINs**

<b>District</b>	<b>Delivery Unit</b>	<b>Product or Service Purchased</b>	<b>Cost</b>
<b><i>Kentuckiana</i></b>	Bardstown Post Office	Tow	\$118.00
	Vine Grove Post Office	Tow	272.00
<b><i>Northern Ohio</i></b>	Cleveland - Station B Branch	Preventive Maintenance	957.16
	Lima Post Office	Maintenance	677.52
	Lima Post Office	Maintenance	597.41
	Painesville Post Office	Lines Tubes Hoses	2.50
	Uniontown Post Office	Windshield Repair	313.78
<b><i>Ohio Valley</i></b>	Athens Post Office	Wash Job	16.80
	Fairborn Post Office	Wash Job	392.00
	Lewisburg Post Office	Oil Change - Full Service	4.00
	Newark Post Office	Labor	144.13
	Newark Post Office	Fee Emission Test	55.00
<b><i>South Jersey</i></b>	Englishtown Post Office	Preventive Maintenance	744.50
	Pennsville Post Office	Repairs	378.95
<b><i>Tennessee</i></b>	Atoka Post Office	Maintenance	97.50
	Clarksville Post Office	Fluids	91.25
	Clarksville Post Office	Fluids	7.30
	Collierville Post Office	Repairs	1,683.95
	Memphis - Bartlett Branch	Preventive Maintenance	1,278.45
<b><i>Western New York</i></b>	Hamburg Post Office	Labor	97.50
	Lockport Post Office	Roadside Service	191.95
	Lockport Post Office	Repairs	100.89
<b><i>Western Pennsylvania</i></b>	Aliquippa Post Office	Repairs	494.44
	Bethel Park Post Office	Repairs	1,169.61
	Bethel Park Post Office	Miscellaneous	99.85
<b>Total</b>			<b>\$ 9,986.44</b>

Source: OIG analysis of FAMS data.

## Inadequately Secured Cards

Site managers did not always physically secure fleet specialty credit cards. Specifically, at 13 of the 22 delivery units we visited, fleet specialty credit cards were not kept in a secure location. For example, at three of the delivery units we visited, site managers could not initially locate their fleet specialty credit card. The site manager at one delivery unit eventually located the credit card and the site managers at the other two delivery units could not find the cards during our visit. At one of the locations that could not locate its fleet specialty credit card during our visit, the site manager had already cancelled another active fleet specialty card and requested a replacement less than 3 months earlier. The Voyager Fleet Card SOP<sup>4</sup> requires site managers to implement appropriate PIN security, safeguards, and procedures for their sites. The 13 unsecured fleet specialty credit cards represent assets at risk valued<sup>5</sup> at \$2,164,800.

These conditions occurred because of inadequate management oversight of the fleet specialty credit card transaction review process and related security requirements. Site managers stated various reasons for not following the review process or security requirements. For example,

- Some site managers stated they did not have enough time to review transactions and maintain records properly.
- Several site managers stated they were unable to locate records that were maintained by previous site managers.
- Other site managers stated they were not clear on requirements to send invoices or receipts to the VMF so the information could be recorded in SEAM.
- Some site managers stated that they were unclear on the requirements to safeguard PINs and fleet specialty credit cards.

Without management oversight to ensure proper administration of receipts, invoices, or work orders supporting credit card transactions and PINs, site managers and VMF managers are unable to determine if charges are appropriate and vehicle maintenance records are complete. We estimate the Eastern Area incurred \$9.9 million in questioned costs for unsupported fleet specialty credit card transactions in FY 2016.

During our audit, the Eastern Area informed us that they initiated Postal Retail Unit reviews, which included reviews of the specialty fleet card. One of our sample locations was reviewed, however no issues were identified.

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<sup>4</sup> *Voyager Fleet Card Standard Operating Procedure (SOP)*, Section 1.3, Responsibilities, July 17, 2015.

<sup>5</sup> The monthly cycle limit of the 13 unsecured cards totaled \$180,400. The monthly cycle limit is multiplied by 12 to arrive at the annual assets at risk total of \$2,164,800.

# Recommendations

We recommend the vice president, Eastern Area:

1. Issue a directive instructing site managers to ensure fleet specialty credit card transactions and related supporting documentation are reviewed at least monthly, maintained for 2 years, and provided to the appropriate vehicle maintenance facilities.
2. Direct all site managers to follow fleet specialty credit card guidance to properly manage and physically secure personal identification numbers and credit cards.
3. Direct unit managers to conduct periodic reviews to ensure controls over fleet specialty credit cards are being followed.

## Management's Comments

Management agreed with our finding and two recommendations and disagreed with one recommendation and the monetary impact. They agreed that local management needs to address performance of reconciliations, appropriate training, and the security of Voyager cards and employee PINs.

Regarding monetary impact, management stated that they disagree that the inability to locate a fuel receipt during the audit constitutes a questioned cost. Management stated that while recordkeeping improvement opportunities exist, this does not indicate that questioned costs cited in the report were at risk. However, management agreed that fleet specialty credit card exception transactions must be documented with adequate comments or justification.

Regarding the \$2.1 million in assets at risk, management stated that Voyager fleet specialty cards and employee PINs must be secured, but disagreed with the calculations the OIG used to determine the other impact cited in the report. Management stated that they believe the amount of assets at risk is extreme and based on a few observations rather than on the actual amount the units spent. Management further stated that transactions would require a Postal Service-issued PIN and the charges would be evaluated monthly or disputed by the site manager in FAMS.

Regarding recommendation 1, management agreed that all Voyager site managers must have access to policies and procedures relevant to the Voyager card and its reconciliation. Management stated that they will require certifications from each district that they have distributed user guides to delivery site managers. The target implementation date is April 11, 2017.

Regarding recommendation 2, management agreed that Voyager fleet cards and PINs must be secure. Management stated that they will require certifications from each district that they have distributed an area directive instructing site managers to secure Voyager fleet cards and PINs. The target implementation date is April 11, 2017.

Regarding recommendation 3, management disagreed with the need to direct unit managers to conduct periodic reviews to ensure controls over fleet specialty credit cards are being followed. Management stated that while they agree that local management needs to address performance of reconciliations, appropriate training, and the security of Voyager cards and PINs, they feel the need to add a periodic review is ambiguous and out of the realm of the SOP for fleet specialty cards.

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

## Evaluation of Management's Comments

The OIG considers management's comments responsive to the findings and recommendations 1 and 2. Management's response to recommendation 3 was non-responsive, but proposed actions for recommendations 1 and 2 satisfy the intent of this recommendation.

In regard to management's disagreement with the monetary impact, we disagree that electronic receipts in FAMS are adequate support documentation. Postal Service guidance requires site managers certify that they have received and reviewed receipts to verify the validity of transactions in FAMS and retain them for inspection for 2 years. The OIG maintains that lack of evidence supporting a purchase does in fact result in a questioned cost.

Regarding management's disagreement with our calculation of assets at risk, we calculated the assets at risk by taking the cycle limit amount listed on the U.S. Bank report for each card and multiplied that amount by 12 months. Due to the fact that fleet specialty credit cards are used primarily for maintenance and repairs over \$300, the cycle limits are higher than those of most other Voyager cards. Considering the lack of physical security of the fleet specialty credit cards at more than half of the delivery units we visited — including three units that could not initially locate their cards — in addition to the lack of transaction reviews and support documentation, we believe this is a reasonable estimate of the overall risk. We note that this amount does not represent actual loss and, therefore, is presented as items at risk, not monetary impact.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1 and 2 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed. We consider recommendation 3 closed but not implemented with the issuance of this report.

# Appendices

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## Appendix A: Additional Information

### Background

The Postal Service operates one of the largest vehicle fleets in the U.S. In FY 2016, there were over 227,000 vehicles used primarily to deliver and collect mail. Fuel and maintenance services for these vehicles are purchased using the Voyager fleet cards.

Since 2000, the Postal Service has been part of the government commercial fleet credit card program under the General Services Administration's (GSA's) SmartPay® Program. Voyager Fleet Systems Inc., owned by U.S. Bank, is the contractor responsible for operating the program. All fleet card transactions under this program are transmitted to the eFleet Card System, which authorizes Postal Service personnel to reconcile expenses charged to the Voyager credit cards.

The Postal Service's Fuel Management Category Management Center (FMCMC) is responsible for the general administration of the fleet card program, establishing policy and procedures, recouping taxes when manual intervention with the states is required, and serving as the primary liaison between the Postal Service and U.S. Bank/Voyager. Every postal-owned vehicle is assigned one fleet credit card that can only be used for the vehicle number embossed on the front of the credit card. Postal Service vehicle operators use the Voyager fleet credit cards to pay for commercially purchased fuel, oil, and routine maintenance expenses up to the \$300 transaction limit.

In addition to the fleet vehicle cards, the Postal Service has several fleet specialty credit cards. The VMF will determine how many fleet specialty credit cards are to be ordered. Examples include:

- Z Cards - issued to the site's finance number, used for washing numerous postal-owned vehicles at one time, paying for fuel or repairs for vehicles with lost, stolen, or damaged cards, or repairs to vehicles that exceed the \$300 transaction limit.
- M Cards - created to streamline and facilitate the mobile fueling payment process and to maintain consistency in providing local authority to buy fuel.
- V Cards - issued to leased or "vehicle hire" vehicles for providing fuel or maintenance.
- X Cards<sup>6</sup> - issued to GSA vehicles for providing fuel or maintenance.

In FY 2016, the Postal Service spent over \$507 million in fleet credit card purchases; \$176 million of those purchases (35 percent) used fleet specialty credit cards (see [Table 4](#)).

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6 There were no X card transactions identified for FY 2016.

**Table 4. FY 2016 Fleet Specialty Credit Card Costs by Area**

<b>Area</b>	<b>All Fleet Specialty Credit Card Costs</b>	<b>Z Card Costs</b>	<b>M Card Costs</b>	<b>V Card Costs</b>	<b>Other/Unknown Card Costs</b>	<b>B Card Costs</b>
Southern	\$44,896,756	\$26,202,482	\$18,607,046	\$85,987	\$230	\$1,011
Northeast	37,411,517	37,226,744	0	173,178	11,594	0
Eastern	23,981,046	23,926,257	0	50,777	3,556	456
Great Lakes	22,543,513	22,454,168	0	87,671	1,674	0
Western	19,867,182	17,983,743	1,706,114	176,923	403	0
Capital Metro	18,301,271	17,774,719	258,981	252,755	14,815	0
Pacific	8,581,040	8,452,526	0	95,314	33,201	0
<b>Total</b>	<b>\$175,582,326</b>	<b>\$154,020,639</b>	<b>\$20,572,141</b>	<b>\$922,605</b>	<b>\$65,473</b>	<b>\$1,467</b>

Source: Postal Service FAMS.

During FY 2016, Postal Service personnel in the Eastern Area used Z credit cards to pay for most specialty card transactions. Of the \$23,981,046 in fleet specialty credit card expenses incurred in FY 2016, 99.8 percent were paid with Z credit cards. The remaining \$54,789 in purchases were paid with V, B, or unknown fleet specialty credit cards.<sup>7</sup>

To limit liability due to reconciliation gaps, the Postal Service implemented credit card limits in the eFleet Card System to identify high-risk transactions as exceptions that must be reconciled monthly. These exception transactions must be verified and justification comments must be entered for them during the reconciliation process; therefore, management controls over fleet credit card use is crucial in controlling fuel costs and maintaining the integrity of the program.

In addition to the local monitoring and reviewing of fleet specialty credit card transactions, site managers must ensure that their servicing VMF receives invoices for all purchases identifying the vehicle number with the associated costs. The VMF is responsible for putting invoice details into SEAM to maintain appropriate service records for the fleet.

Site managers are also responsible for maintaining and securing fleet specialty credit cards and the PIN list. PINs are confidential numbers management randomly assigns to Postal Service vehicle operators, who use them to authorize purchases made with fleet credit cards.

<sup>7</sup> The Eastern Area did not have any M or X card transactions during FY 2016.

## Objective, Scope, and Methodology

Our objective was to assess the effectiveness of controls over fleet specialty credit cards used in delivery operations in the Eastern Area.

To meet our objective we:

- Obtained and analyzed Postal Service computerized data on fleet credit cards used at the area, district, and facility levels. Our analysis was to include data from FAMS and eFleet Card System.
- Reviewed laws, regulations, and guidance related to the government commercial fleet card program under the GSA's SmartPay® Program and the Voyager Fleet Systems, Inc.
- Analyzed data to select delivery units and VMFs for site visits.
- Selected a statistical sample of 207 of the 121,227 FY 2016 fleet specialty credit card transactions in the Eastern Area. The team visited 22 delivery units and 12 VMFs in six of the 10 districts in the Eastern Area.
- Completed analysis of 207 statistical sample transactions to include a review of proper supporting documentation receipts/invoices and a review of SEAM work orders.
- Reviewed local practices at each delivery unit and VMF to determine whether managers were properly maintaining support documentation according to established Postal Service guidance.
- Performed on-site observations to verify if fleet specialty credit card procedures were being followed and assets were properly safeguarded.
- Calculated the percentage of randomly sampled transactions that did not have proper support documentation. We applied this percentage to the costs of all Eastern Area fleet specialty credit card transactions for FY 2016 to calculate questioned costs.
- Interviewed Postal Service management and staff in the Eastern Area and at each delivery unit visited to determine their procedures for securing fleet specialty credit cards and PIN lists at each delivery unit and VMF.
- Obtained and analyzed the maximum monthly limit for each fleet specialty credit card at risk and calculated the risk for a 12-month period.

We conducted this performance audit from October 2016 through March 2017, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on March 2, 2017, and included their comments where appropriate.

We assessed the reliability of fleet specialty credit card data by comparing our sampled transactions to the documents maintained at the facilities and the documentation provided by the Eastern Area office. We determined that the data and documentation were sufficiently reliable for the purposes of this report.

### Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Voyager Fleet Card Controls – Southern Area</i>	To assess the effectiveness of controls over Voyager fleet cards used in delivery operations in the Southern Area.	<a href="#">DR-AR-16-009</a>	9/19/2016	\$8.5
<i>Fleet Credit Card Controls in the Capital Metro Area</i>	To assess the effectiveness of controls over fleet cards used in delivery operations in the Capital Metro Area.	<a href="#">DR-AR-16-001</a>	10/22/2015	\$3.1

## Appendix B: Voyager Certification

The Voyager Fleet Card SOP requires that the person responsible for reviewing the fleet specialty credit card invoices in FAMS provide voyager certification at least once a month. The certification screen prompt in FAMS states that the receipts or invoices will be retained for 2 years and that invoices have been supplied to the VMF (see Figure 2).

**Figure 2. Voyager Certification**

**Voyager Certification**

- I certify that the vehicle fuel/oil, supplies and services were correct and have been received for the respective vehicles.
- I certify that receipts/invoices/facsimiles have been received, reviewed, and will be retained for inspection for 2 years.
- I certify that a copy of all non-fuel/oil receipts/invoices have been supplied to the servicing VMF.

I understand that submission of a false statement, representation, or documentation may result in a fine of not more than \$10,000 per occurrence or imprisonment of not more than 5 years or both.

Source: Voyager Fleet Card SOP.

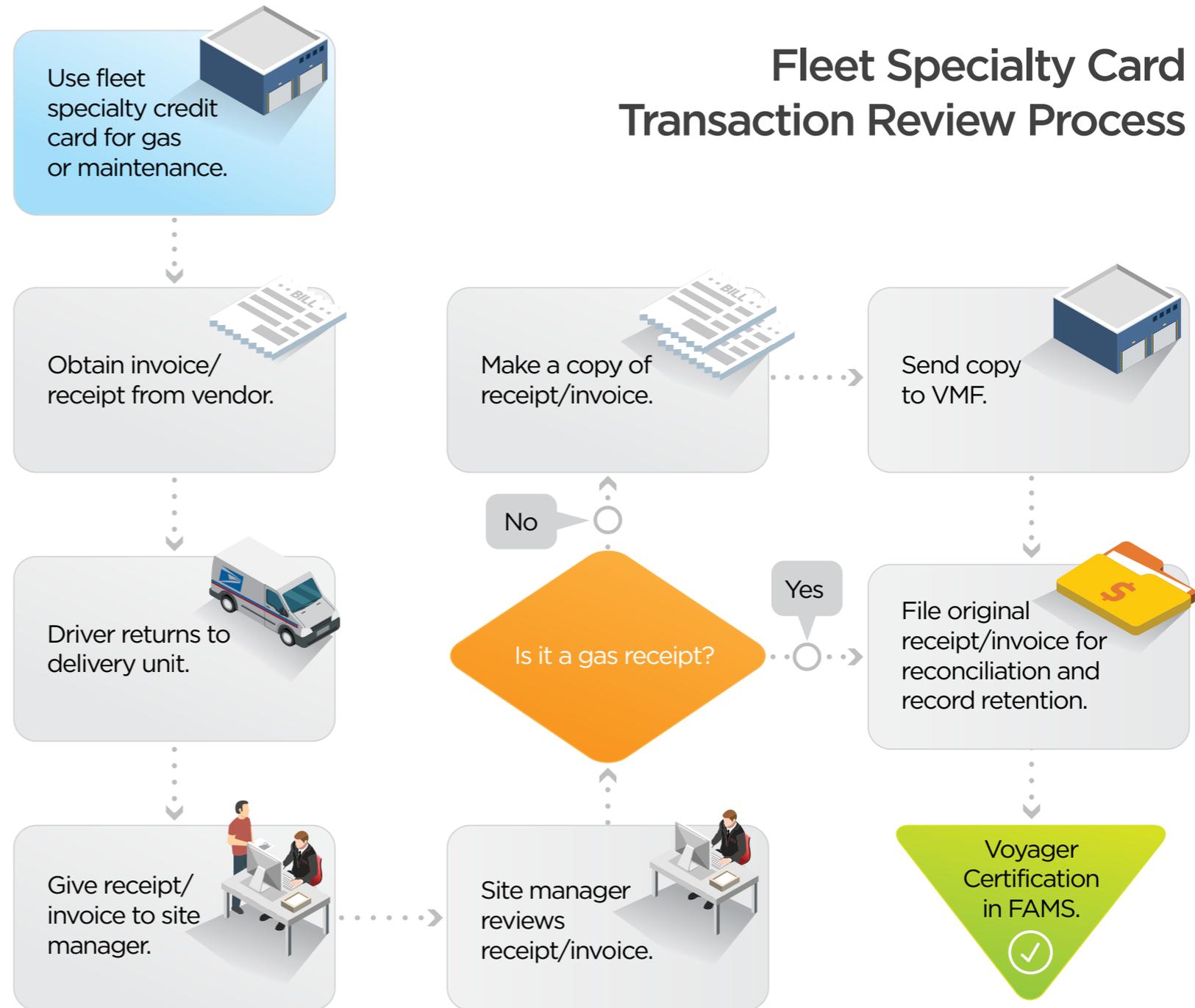
In addition, the site manager eFleet training module<sup>8</sup> requires monthly reconciliation of all Z Card transactions. While, the Voyager Fleet Card SOP state that only “high-risk” transactions must be reconciled monthly, the site manager must check for unauthorized transactions and investigate all transactions without receipts to determine whether the purchase is legitimate. After this review and investigation, the site manager must put an explanation into FAMS.

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8 Learning Management System training course: SM: eFleet Card Site: Site Manager (Course Number 10019126).

**Appendix C:  
Fleet Specialty Card  
Transaction Review Process**

**Fleet Specialty Card  
Transaction Review Process**



## Appendix D: Management's Comments

JOSHUA D. COLIN, PH.D.  
VICE PRESIDENT, AREA OPERATIONS  
EASTERN AREA



March 17, 2017

MEMORANDUM FOR LORI LAU DILLARD – DIRECTOR OF AUDIT OPERATIONS,  
OFFICE OF INSPECTOR GENERAL, UNITED STATES POSTAL SERVICE

SUBJECT: Response to OIG Audit Report – Fleet Specialty Credit Cards – Eastern Area –  
Report Number DR-AR-17- DRAFT

The Eastern Area agrees with the recommendations detailed in the OIG Audit of Voyager Fleet Specialty Credit Card controls as they are outlined in the current Voyager SOP. We agree performance of reconciliations, appropriate training, and the security of the Voyager cards and employee personal identification numbers (PIN) needs to be addressed by local management.

The Eastern Area does not agree the inability to locate a fuel receipt during the audit constitutes a questioned cost. Each of the 86 unsupported transactions cited in the monetary impact – Questioned Costs, had an electronic receipt transmitted from the vendor to Fuel Asset Management System (FAMS). Site managers had reviewed charges for accuracy. Policies required questionable charges be researched and disputed, if necessary. We believe while record keeping improvement opportunity exists, this does not clearly indicate the \$9,963,140 cited in the audit was at risk. We agree fleet card exception transactions must be documented with adequate comments or justification.

The Eastern Area agrees security must be provided to the Voyager Fleet cards and personal identification numbers but disagree with the calculations used in the assets at risk section of the audit. The OIG audit states the monthly cycle limit of the 13 unsecured cards at a total of \$180,400 multiplied by 12 to get at the risk total of \$2,164,800. We feel this is an extreme estimate based on a few observations and not on the actual amount that was spent in the 13 offices. The risk for this amount would be questioned as the transactions would require a Postal issued PIN, and the charges would be validated monthly or disputed by the site manager in FAMS.

The Eastern Area disagrees with the need to direct unit managers to conduct periodic reviews to ensure controls over fleet specialty credit cards are being followed. We have agreed that the performance of reconciliations, appropriate training, and the security of the Voyager cards and employee personal identification numbers (PIN) needs to be addressed by local management and feel the need to add a periodic review is ambiguous and out of the realms of the Standard Operating Procedure for the fleet specialty cards.

**Recommendation 1:**

The Eastern Area Vice President issue a directive instructing managers to ensure fleet specialty credit card transactions and related supporting documentation are reviewed at least monthly, maintained for 2 years, and provided to the appropriate vehicle maintenance facilities.

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**Management Response/Action Plan:**

The Eastern Area agrees all Voyager site managers must have access to the relevant policies and procedures of the Voyager card and its reconciliation. The Eastern Area Vice President will direct the District Managers to distribute updated user guides for Voyager Fleet Card Standard Operating Procedures and the Fuel Asset Management System to delivery site managers. To ensure this recommendation is implemented, the Eastern Area will require certifications from each District that distribution of user guides for Voyager Fleet Card Standard Operating Procedures and the Fuel Management System to delivery site managers has been performed.

**Target Implementation Date:**

April 11, 2017

**Responsible Officials:**

Eric Faber, Area Controller  
Jay Phelan, Area Manager Operations Support

**Recommendation 2:**

The Eastern Area Vice President will issue an area management directive instructing all site managers to follow the Voyager Fleet Card Standard Operating Procedure specifically identifying the proper way to manage and physically secure personal identification numbers and credit cards.

**Management Response/Action Plan:**

The Eastern Area agrees security must be provided for Voyager fleet cards and personal identification numbers. To ensure this recommendation is implemented, the Eastern Area will require certifications from each District that the distribution of an Area directive instructing site managers to secure Voyager fleet cards and personal identification numbers has been performed.

**Target Implementation Date:**

April 11, 2017

**Responsible Officials:**

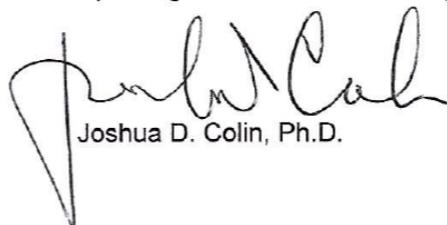
Eric Faber, Area Controller  
Jay Phelan, Area Manager Operations Support

**Recommendation 3:**

The Eastern Area disagrees with the need to direct unit managers to conduct periodic reviews to ensure controls over fleet specialty credit cards are being followed.

**Management Response/Action Plan:**

The Eastern Area disagrees with the need to direct unit managers to conduct periodic reviews to ensure controls over fleet specialty credit cards are being followed. We have agreed the performance of reconciliations, appropriate training, and the security of the Voyager cards and employee personal identification numbers (PIN) needs to be addressed by local management and feel the need to add a periodic review is ambiguous and out of the realms of the Standard Operating Procedure for the fleet specialty cards.



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