

Fiscal Year 2024 Officers' Travel and Representation Expenses

AUDIT REPORT

Report Number 24-058-R25 | January 10, 2025



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Highlights

Background

The U.S. Postal Service has 50 authorized officer positions, including the postmaster general, deputy postmaster general, and all vice presidents. The Postal Service had 48 active officers, including acting officers, and one executive level employee who graduated from an accredited degree program during the fiscal year (FY) 2024. Officers and the one employee filed 1,116 expense reimbursement requests totaling \$1,403,685.

Further, the Postal Service hired limited-term contract employees who were not officers, but management elected for their travel reimbursement requests to receive the same level of review as officers. During FY 2024, the contract employees filed 70 reimbursement requests, totaling \$97,686.

What We Did

Our objective was to determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursements. We reviewed a sample of 60 reimbursement requests totaling \$178,823 from FY 2024.

What We Found

For the travel and representation expense reimbursements we reviewed, Postal Service officers properly supported the reimbursements and generally complied with Postal Service policies and procedures. We identified one issue where Travel and Relocation coordinated travel arrangements for an employee to stay in corporate housing rather than a hotel because there were no hotels available at the government rate. The Postal Service processed the request without written approval. Postal Service policy requires all approved deviations to be documented in a memorandum and attached to an employee's expense report. We communicated this issue to Postal Service management.

Recommendations and Management's Comments

Based on the audit results, we did not make any recommendations. The U.S. Postal Service Office of Inspector General considers management's comments responsive to the finding in the report. See [Appendix B](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

January 10, 2025

MEMORANDUM FOR: DOUGLAS TULINO
DEPUTY POSTMASTER GENERAL AND CHIEF HUMAN
RESOURCES OFFICER

A handwritten signature in black ink, reading "Alan MacMullin", is positioned below the "MEMORANDUM FOR" section.

FROM: Alan MacMullin
Deputy Assistant Inspector General
for Finance, Pricing, & Human Capital

SUBJECT: Audit Report – Fiscal Year 2024 Officers' Travel and Representation
Expenses (Report Number 24-058-R25)

This report presents the results of our audit of the U.S. Postal Service's Fiscal Year 2024 Officers' Travel and Representation Expenses (Report Number 24-058-R25).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Christa Owens, Director, Finance and Pricing, or me at (703) 248-2100.

Attachment

cc: Postmaster General
Secretary of the Board of Governors
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our audit of the U.S. Postal Service’s Fiscal Year 2024 Officers’ Travel and Representation Expenses (Project Number 24-058). We conducted this audit in response to the U.S. Postal Service Board of Governors’ policies and procedures¹ requiring annual audits of officers’ travel and representation expenses.² Our objective was to determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursements. See [Appendix A](#) for additional information about this audit.

Background

The Postal Service has 50 authorized officer positions,³ including the postmaster general, deputy postmaster general, and all vice presidents. The Postal Service had 48 active officers, including acting officers, at the end of fiscal year (FY) 2024.⁴

During FY 2024, officers and one executive employee⁵ who graduated from the Fellows Program⁶ filed 1,116 expense reimbursement requests totaling \$1,403,685. Further, the Postal Service hired limited-term contract employees who were not officers, but management elected for their travel reimbursement requests to receive the same level of review as officers. During FY 2024, the contract employees filed 70 reimbursement requests, totaling \$97,686.

In total, officers, executives, and contractors filed 1,186 expense reimbursements totaling \$1,501,371.

Table 1 shows employees’ and contractors’ reimbursements from FY 2022 through FY 2024 for comparison.

Table 1. Comparison of Reimbursements and Associated Expenses

Fiscal Year	Reimbursements	Total Paid Amount
2024	1,186	\$1,501,371
2023	895	\$1,041,295
2022	694	\$769,789

Source: Postal Service eTravel System data.

Postal Service officers and employees use the eTravel system to create, submit, and review expense reports, and to obtain reimbursement for transportation, lodging, and other expenses incurred while on official travel. Additionally, officers are reimbursed for representation expenses incurred while participating in engagements with customers, industry, or employee groups with whom the Postal Service conducts official business. These reimbursements must adhere to Postal Service travel and relocation policy.⁷ The Travel and Relocation team verifies policy compliance, receipts, and supporting documentation. An officer can request a deviation from the Postal Service travel policy⁸ in rare and extreme circumstances. A deviation request will be considered only if the following apply: 1) an unusual situation arises which is not directly addressed in policy and 2) the case is unique.

1 Officers’ Travel, Representation, and Office Expense Guidelines dated October 12, 2021.
2 Representation expenses nearly always involve one or more non-Postal Service personnel (suppliers, customers, and foreign postal administrators) and a Postal Service officer.
3 U.S.C. Title 39 Sections 202, 203, and 204, dated August 12, 1970, established five officer positions. Under the powers granted, the Board of Governors authorized 45 additional positions under Board Resolution 99-II, dated October 4, 1999.
4 The Postal Service had 50 active officers before July 4, 2024. After July 4, 2024, the number of active officers fluctuated between 47-48 due to retirements and appointments. As of September 30, 2024, there were 48 active officers.
5 The Postal Service reviews their travel reimbursements to mitigate risks and provide oversight of the employees’ actions, ensuring they aligned with the expectations set forth in their employment agreement.
6 The Fellows Program is a 12-month, full-time Master of Business Administration program designed to prepare mid-career managers to become future leaders.
7 Handbook F-15, Travel and Relocation, dated September 3, 2015.
8 Handbook F-15, Travel and Relocation, 2-4 Deviating from the Policy, dated September 3, 2015.

Finding: Testing Results


We reviewed a sample of 60 travel reimbursement requests totaling \$178,823. For the reimbursements we reviewed, officers properly supported the reimbursement requests and generally complied with Postal Service policies and procedures. We identified one issue regarding a travel deviation request. Specifically, Travel and Relocation coordinated travel arrangements to stay in corporate housing for an employee instead of a hotel⁹ because available hotels were more expensive than the General Services Administration (GSA) rate.¹⁰ The officer stayed in corporate housing at the GSA rate. The Travel and Relocation official verbally approved the deviation and instructed staff to process the expense report without a required memorandum.¹¹ Postal Service policy requires a signed memorandum attached to the traveler's expense report explaining the reason for requesting a deviation.

We discussed the deviation request with management, and they acknowledged the documentation issue. Based on the audit results and because no additional costs were incurred by the Postal Service for the travel deviation, we did not make any recommendations.

We reviewed a sample of

60

travel reimbursement requests



We identified one issue regarding a travel deviation request without a signed memorandum attached to the traveler's expense report.

Postal Service Response

Management agreed with the finding and stated that it will continue to be diligent in the review and approval of all officers' travel and representation expenses. See [Appendix B](#) for management's comments in their entirety.

OIG Evaluation

The OIG considers management's comments responsive to the finding in the report.

⁹ Management Instructions, FM-650-2018-2, allows corporate housing rentals for traveling employees who need lodging for more than 29 consecutive days.

¹⁰ Handbook F-15, Section 5-1.1.3.1, states, "When the least expensive fare is not available or when the least expensive fare would cause you to be unreasonably delayed or inconvenienced, be in substantial discomfort, or have your safety jeopardized, you may use a more expensive service."

¹¹ Handbook F-15, states to request a deviation, the traveler must write a memo specifically explaining the reason for requesting the deviation.

Appendix A: Additional Information

Scope and Methodology

For FY 2024, 50 officers and one executive employee who graduated from the Fellows Program and two limited contract employees filed 1,186 travel and representation expense reimbursement requests totaling \$1,501,371. We judgmentally sampled and reviewed 60 reimbursement requests totaling \$178,823. Those 60 sampled reimbursements included 15 requests each quarter for existing officers, acting officers, the Fellows Program graduate, and limited contract employees who traveled during the fiscal year. We included any reimbursements of \$7,000 or more and judgmentally selected additional transactions to total 15 transactions for each quarter.¹²

We retrieved reimbursement requests and supporting documents that officers filed from the eTravel system. We verified whether these employees complied with policies and procedures regarding:

- Submission and approval of the travel reimbursement requests,
- Air transportation and other transportation methods,
- Lodging and per diem,
- International travel,
- Representation expenses,
- Duplicate claims,¹³ and
- Appropriateness of credit card use.¹⁴

We used the following as our criteria to evaluate reimbursements:

- *Revised Officers' Travel, Representation, and Office Expense Guidelines* issued by the Postmaster General, dated October 12, 2021.
- Handbook F-15, *Travel and Relocation*, dated September 2015.

- Management Instruction FM-640-2023-1, *Expenses for Internal and External Events*, dated June 1, 2023.
- *Fellows Program Guide*, Learning and Development, United States Postal Service, dated January 5, 2016.

We conducted this performance audit from February 2024 through December 2024 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 objective. We discussed our observations and conclusions with management on December 20, 2024, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the eTravel internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following two components were significant to our audit objective: control activities and monitoring.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we did not identify internal control deficiencies that were significant within the context of our objectives.

¹² Each quarter, we selected the five highest dollar reimbursements and randomly selected an additional 10 reimbursements for review.

¹³ Expenses that are claimed more than once.

¹⁴ Travelers only use the travel card for business-related purposes.

We assessed the reliability of eTravel data by comparing it to officers’ travel expense data in the Enterprise Data Warehouse (EDW)¹⁵ for each quarter. In addition, we judgmentally selected a sample of five reimbursement transactions in EDW each quarter

and verified them to the travel reimbursement requests in the eTravel system. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Fiscal Year 2023 Officers’ Travel and Representation Expenses</i>	Determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursement.	23-090-R24	11/21/2023	N/A
<i>Fiscal Year 2022 Officers’ Travel and Representation Expenses</i>	Determine whether Postal Service officers complied with policies and procedures regarding travel and representation expense reimbursement.	22-055-R23	12/28/2022	N/A

¹⁵ A repository intended for all data and the central source for information on retail, financial, and operational performance.

Appendix B: Management's Comments



Date: December 24, 2024

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: FY24 Officers' Travel and Representation Expenses Project Number
24-058

Management has reviewed the Draft Report – Officers' Travel and Representation Expenses, Project Number 24-058 DRAFT, and agrees with the OIG's findings. We will continue to be diligent in the review and approval of all Officers' travel expenses.

Steven A. Darragh

Steven Darragh
Executive Director, Compensation and Benefits

cc: *Manager, Corporate Audit Response Management*

OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE



Contact us via our [Hotline](#) and [FOIA](#) forms. Follow us on social networks. Stay informed.

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