



# Internal Controls Over Voyager Card Transactions and Reconciliation Process - Loch Raven Branch, Towson, MD

November 9, 2017





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**Internal Controls Over Voyager Card  
Transactions and Reconciliation Process –  
Loch Raven Branch, Towson, MD**  
Report Number FCS-FM-18-003

**BACKGROUND:**

The U.S. Postal Service Office of Inspector General (OIG) used data analytics to identify offices with a surge of potentially fraudulent Voyager credit card activity. We identified seven potentially fraudulent transactions totaling \$1,229, made in Florida with a Voyager card assigned to the Loch Raven Branch, in July 2017. Loch Raven is located in the Baltimore District of the Capital Metro Area.

U.S. Bank manages the Voyager Fleet Systems credit card program for the U.S. Postal Service, and actively monitors transactions to identify potentially fraudulent use of credit cards.

The OIG's Office of Investigations (OI) is included on notices from U.S. Bank to the Postal Service when fraud is suspected and when U.S. Bank has accepted a fraud dispute claim filed by the Postal Service. As a result of the volume of notifications related to Voyager cards assigned to the Baltimore District, OI contacted U.S. Bank and confirmed there was a surge in fraudulent Voyager credit card activity in the area. OI suspected that data copied from Voyager cards issued to the Baltimore District had been duplicated, with the counterfeit copies used for purchases in Florida.

Every Postal Service-owned vehicle is assigned a Voyager card. The card is

used to pay for fuel, oil, and routine vehicle maintenance. As U.S. Bank detects potential fraudulent activity, alert notifications are sent to Vehicle Maintenance Facility (VMF) managers. Each month, site managers are responsible for reconciling the Voyager card transactions identified as high-risk, such as purchases that exceed the fuel purchase limit.

The objective of this audit was to determine whether internal controls were in place and effective over the reconciliation of Voyager card transactions for detecting and disputing potentially fraudulent activity at the Loch Raven Branch.

**WHAT THE OIG FOUND:**

The site manager performed regular reconciliations of the high-risk Voyager card transactions and disputed the seven potentially fraudulent transactions we identified for the period reviewed. Despite the ongoing reconciliations, controls over the Voyager card dispute process could be improved.

Specifically:

- The site manager did not obtain a copy of dispute documentation submitted by the VMF manager or forward fraud alert notifications provided by the U.S. Bank.

- Neither the site manager nor VMF manager notified the OIG of suspicious Voyager card activity.
- Voyager card receipts were kept on file for only one year.

This occurred because the site manager did not complete the required online Voyager certification training and, thus, was unaware of these specific responsibilities.

During the audit, we also noted that the Postal Service's written guidance was not consistent regarding the timeframe when Voyager card disputes must be filed with the U.S. Bank. One section of the policy states the site manager has 60 days from the transaction posting date to file the dispute. Another section of the policy indicates the dispute must be filed within 30 days of when the charge first appears. Management was not aware of the inconsistencies.

Management oversight is needed to ensure site managers complete required training and comply with document retention policy to support disputes, future verifications, and research of fraudulent activity. In addition, without clear and consistent guidance, potentially fraudulent activity may not be disputed, timely.

***WHAT THE OIG RECOMMENDED:***

We recommended district management instruct the branch manager to provide the site manager Voyager card training.

In addition, we recommended district management require VMF management forward U.S. Bank notices of suspicious activity correspondence to responsible site managers.

We also recommended headquarter's management revise the procedures to provide clear and concise guidance to site managers for timely reporting of fraudulent Voyager activity.

[\*Link to review the entire report\*](#)



November 9, 2017

**MEMORANDUM FOR:** DANE COLEMAN  
DISTRICT MANAGER, BALTIMORE

KEVIN MCADAMS  
VICE PRESIDENT, DELIVERY OPERATIONS



**FROM:** *for*  
Michelle Lindquist  
Director, Financial Controls

**SUBJECT:** Audit Report – Internal Controls Over Voyager Card  
Transactions and Reconciliation Process – Loch Raven  
Branch, Towson, MD (Report Number FCS-FM-18-003)

This report presents the results of our audit of the Internal Controls Over Voyager Card Transactions and Reconciliation Process – Loch Raven Branch, Towson, MD (Project Number 17BFM030FT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Dianna Smith, Operational Manager, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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## Introduction

This report presents the results of our self-initiated audit of Internal Controls Over Voyager Card Transactions and Reconciliation Process at the Loch Raven Branch, Towson, MD (Project Number 17BFM030FT000). The Loch Raven Branch is located in the Baltimore District of the Capital Metro Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

To determine whether internal controls over Voyager card transactions and reconciliations were in place and effective, we interviewed the site manager and other personnel responsible for oversight of the process. We analyzed Voyager card transactions in the Fuel Asset Management System (FAMS)<sup>1</sup> between January 1, 2017, and July 31, 2017, and examined related dispute documentation.

We relied on computer-generated data from the Postal Service's FAMS and U.S. Bank's Fleet Commander system.<sup>2</sup> Because the audit focused on potentially fraudulent activity, it was highly unlikely the Loch Raven Branch would have receipts or source documents to independently confirm transaction data from these systems. As a result, we were unable to test the validity of controls over potentially fraudulent activity in these systems. However, we assessed the accuracy of the data by reviewing related documentation and correspondence, internal controls, and interviewing knowledgeable Postal Service and U.S. Bank personnel. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from August through November 2017, in accordance with generally accepted government auditing standards. 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 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 September 11, 2017, and included their comments where appropriate. We did analyze the process for reversing or crediting the Postal Service for disputed transactions; however, we may review that process in a future audit.

## Finding #1: Voyager Card Dispute Process

The Loch Raven Branch site manager did not obtain a copy of the dispute documentation submitted by the Vehicle Maintenance Facility (VMF) manager, and

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<sup>1</sup> FAMS tracks Postal Service purchases using Voyager cards, and through its eFleet module, allows authorized users to display and reconcile vehicle expenses (for example, fuel, oil, repairs, and washing).

<sup>2</sup> Provides total access to observe, update, track and manage fleet operations and fleet card accounts.

neither the site manager nor VMF manager notified the U.S. Postal Service Office of Inspector General (OIG) of the suspicious charges. Further, Voyager card receipts were kept on file for only one year.

Postal Service policy<sup>3</sup> requires the site manager regularly reconcile Voyager card activity and escalate disputed transactions for resolution by submitting documentation to the U.S. Bank. The policy<sup>4</sup> also requires the site manager to report potential fraud to the OIG servicing their particular location. In addition, Voyager card receipts and reconciliations records must be kept for two years.<sup>5</sup>

The Loch Raven Branch manager did not ensure the site manager completed the required training. Instead, the site manager received only on-the-job training and was unaware of how to file the disputed transaction documentation with the U.S. Bank or send notifications of potential fraud to the OIG. The audit team confirmed the site manager had not completed the required *eFleet Card for Site Manager Training* course.<sup>6</sup> This training course provides instructions on how to manage the Voyager card, reconcile purchases, and maintain supporting records.

On August 24, 2017, the site manager performed the July reconciliation and marked 'Dispute' for all seven transactions in FAMS. The Halethorpe VMF manager<sup>7</sup> subsequently noticed the "Dispute" notations in FAMS and contacted the site manager to determine whether the mandatory dispute documentation had been submitted to U.S. Bank. Since the site manager was not familiar with the dispute process, the Halethorpe VMF manager filed the required documentation with U.S. Bank on August 25 and 28, 2017, but did not provide a copy of the documentation to the site manager.

If the unit does not notify the OIG of suspicious charges, potential fraud by employees would not be adequately identified and investigated. In addition, if documentation is not retained, the Postal Service is at risk of being unable to win the credit card transaction dispute.

**Recommendation #1:** We recommend the Manager, Baltimore District, instruct the manager, Loch Raven Branch, to provide the site manager *eFleet Card for Site Manager Training* on the requirements for reconciling Voyager card transactions, including retention of supporting records and contacting the U.S. Postal Service Office of Inspector General of suspected fraud.

<sup>3</sup> *Voyager Fleet Card Standard Operating Procedure (SOP)*, November 3, 2016, Section 5.1.

<sup>4</sup> *Voyager Fleet Card SOP*, Section 5.1.

<sup>5</sup> *Voyager Fleet Card SOP*, Section 4.1.

<sup>6</sup> *Voyager Fleet Card SOP*, Section 1.4.

<sup>7</sup> The Baltimore VMF manager is responsible for Loch Raven Branch. The Halethorpe VMF manager provided assistance to Loch Raven Branch when the Baltimore VMF manager was on leave in late August 2017.

## Finding #2: Voyager Fleet Card Standard Operating Procedure

The Postal Service's written guidance is not consistent regarding the timeframe when Voyager card disputes must be filed. Current policy requires disputed transactions be escalated for resolution by submitting documentation to U.S. Bank. However, Postal Service *Voyager Fleet Card SOP* Section 4.1 states the site manager has 60 days from the transaction posting date to file the dispute, while Section 5.1 indicates the dispute must be filed within 30 days of when the charge first appears. Management was unaware of these conflicts in the guidance. Without clear and consistent guidance, potentially fraudulent activity may not be disputed on a timely basis.

In addition, the site managers responsible for filing disputes of fraudulent transactions do not receive alert notifications of suspected fraud from the U.S Bank. Specifically, the Baltimore District had three VMF managers who received fraud alert notifications within a day of the seven potentially fraudulent transactions in our review. However, none of them forwarded the alerts to the Loch Raven Branch site manager.

If fraud alert notifications are not forwarded to unit personnel responsible for credit card disputes, the employees are unaware of known fraud schemes when using the Voyager card.

**Recommendation #2: We recommend the Vice President, Delivery Operations**, revise the *Voyager Fleet Card Standard Operating Procedure* to provide clear and concise guidance for site managers on timely reporting of fraudulent Voyager activity.

**Recommendation #3: We recommend the Manager, Baltimore District**, require Vehicle Maintenance Facility management forward U.S. Bank notices of suspicious activity and related correspondence to the responsible site managers.

## Management's Comments

Management agreed with findings 1 and 3 and their respective recommendations. Regarding recommendation 1, management advised that the site manager completed *eFleet Card for Site Manager Training* on October 20, 2017. Management provided under separate cover, training records indicating the site manager and the backup individual completed the training on October 20, 2017.

Regarding recommendation 2, management did not agree with the finding and recommendation regarding the *Voyager Fleet Card SOP* due to a perceived lack of clarity on the elements that required updating. During subsequent communication,



management advised they are currently reviewing the SOP and will make necessary changes as needed, on timely reporting of fraudulent Voyager activities. However, management did not provide a target implementation date and stated they did not plan to provide the SOP to the OIG when it is updated.

Regarding recommendation 3, on October 24, 2017, management directed all FAMS/Voyager field users to promptly react to any fraudulent activity identified by U.S. Bank. The communication was made through email to district leadership and subsequently shared with all FAMS/Voyager field users. Management provided, under separate cover, notices issued throughout Baltimore District in October 2017 directing that reports of suspicious activity and related documents be promptly forwarded to the appropriate site manager.

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

## **Evaluation of Management's Comments**

The OIG considers management's comments responsive to recommendations 1 and 3 in the report and corrective actions should resolve the issues identified in the report. However, since management did not provide a target implementation date for recommendation 2, we consider their comments non-responsive for that recommendation.

Regarding recommendation 2, we believe the actions described by management subsequent to draft report issuance will address our recommendation. However, without a planned corrective action date and, ultimately documentation supporting closure of the recommendation, we view the disagreement on recommendation 2 as unresolved and plan to pursue it through the formal audit resolution process.

We consider recommendations 1 and 3 closed with the issuance of this report.

## Appendix A: Management's Comments



October 31, 2017

LORI LAU DILLARD  
DIRECTOR AUDIT OPERATIONS

**SUBJECT:** Response to Draft Audit Report – Internal Controls Over Voyager Card Transactions and Reconciliation Process – Loch Raven Branch, Towson, MD (Report Number FT-FM-18-DRAFT)

Thank you for the opportunity to respond to the OIG Audit of Internal Controls over Voyage Card Transactions at Loch Raven Branch in Towson, MD. Baltimore District leadership agrees with the findings and recommendations as stated in the audit. Baltimore District will track and ensure training is provided to site managers and will work with the VMF's and OIG to address any potentially fraudulent activity. The Vice President Delivery Operations does not agree with the findings and recommendations related to the Voyager SOP as both are vague and unclear regarding the OIG's expectations.

### **Recommendation #1**

We recommend the Manager, Baltimore District, instruct the manager, Loch Raven Branch, to provide the site manager *eFleet Card for Site Manager Training* on the requirements for reconciling Voyager card transactions, including retention of supporting records and contacting the U.S. Postal Service Office of Inspector General of suspected fraud.

### **Management Response/ Action Plan**

Management agrees with this recommendation and has implemented by having the site manager take and document this training in the Learning Management System.

### **Target Implementation Date**

10/24/2017

### **Responsible Official**

Manager, Loch Raven Branch

### **Recommendation #2**

We recommend the Vice President, Delivery Operations, revise the *Voyager Fleet Card Standard Operating Procedure* to provide clear and concise guidance for site managers on timely reporting of fraudulent Voyager activity.

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**Management Response/ Action Plan**

Headquarters Delivery Operations does not agree with this recommendation. It is vague and unclear what specifically needs to be edited in the SOP to provide clear and concise guidance.

**Responsible Official**

Vice President, Delivery Operations

**Recommendation #3**

We recommend the Manager, Baltimore District, require Vehicle Maintenance Facility management forward U.S. Bank notices of suspicious activity and related correspondence to the responsible site managers.

**Management Response/ Action Plan**


Management agrees with this recommendation and has implemented by working with the Manager, Vehicle Operations that oversees Baltimore District to communicate to the field to promptly react to any fraudulent activity as identified by US Bank after the VMF is notified. The communication was submitted via email to district leadership which subsequently was shared with all FAMS/ Voyager field users.

**Target Implementation Date**

10/24/2017

**Responsible Official**

District Manager  
Manager, Vehicle Operations

  
Kevin L. McAdams  
Vice President, Delivery Operations

  
Dane Coleman  
Baltimore District Manager