



AUDIT REPORT

Voyager Card Transactions - Mesquite, TX, Main Post Office

September 27, 2018



Report Number FCS-FM-18-032



September 27, 2018

MEMORANDUM FOR: MILFORD S. HOOPER
ACTING MANAGER, DALLAS DISTRICT

E-Signed by Michelle Lindquist 
VERIFY authenticity with eSign Desktop
Michelle Lindquist

FROM: Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Voyager Card Transactions - Mesquite, TX,
Main Post Office (Report Number FCS-FM-18-032)

This report presents the results of our audit of the Voyager Card Transactions - Mesquite, TX, Main Post Office (Project Number 18BFM029FCS000).

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

Attachment

cc: Corporate Audit and Response Management

Background

This report presents the results of our self-initiated audit of Voyager Card Transactions – Mesquite, TX Main Post Office (Project Number 18BFM029FCS000). The Mesquite Main Post Office is in the Dallas District of the Southern Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

Every Postal Service-owned vehicle is assigned a Voyager card that is used to pay for its commercially purchased fuel, oil, and routine maintenance. U.S. Bank manages the Voyager Fleet Systems credit card program for the Postal Service. U.S. Bank is responsible for operating the program, and Voyager provides a weekly electronic transaction detail file of all Voyager card transactions to the Postal Service's Fuel Asset Management System (FAMS)¹ eFleet application.² Each month, the Postal Service site manager is responsible for ensuring that their driver receipts are reconciled in FAMS. The review is critical since the Postal Service automatically pays U.S. Bank weekly for all Voyager card charges. Personnel involved in the Voyager card reconciliation process must complete the online *eFleet Card for Site Manager Training*. This training course provides instructions on how to manage and reconcile purchases made with the Voyager card. The site manager or designee performing the reconciliation must certify that due diligence has been exercised in the verification of the transactions and supporting documentation.

The U.S. Postal Service Office of Inspector General (OIG) used data analytics to identify offices with potentially fraudulent Voyager card activity. The analytics identified the Mesquite, TX, Main Post Office had 104 fuel transactions totaling \$9,827 at risk during the period of April through June 2018. We focused on high-risk Voyager card transactions for types of fuel purchased, time of day purchases were made, and transactions made outside of the Mesquite, TX service area. The unit had 1,669 Voyager card fuel transactions totaling \$55,016 during the April through June 2018 period.

Objective, Scope and Methodology

The objective of this audit was to determine whether Voyager card transactions were properly reconciled for detecting and disputing potentially fraudulent activity at the Mesquite Main Post Office. The scope of this audit included the Voyager card activity reconciliation process at the Mesquite Main Post Office from April through June 2018.

We analyzed Voyager card transactions in FAMS, interviewed the manager responsible for the process, and reviewed on-site supporting documentation. We relied on computer-generated data from FAMS. We verified transactions generated by this

¹ A cost management tool used for managing and controlling fuel costs.

² eFleet is the portal used to monitor expenses incurred from the operation and maintenance of postal-owned vehicles. The system allows authorized users to display and reconcile expenses charged to Voyager credit cards.

system against available on-site supporting documentation. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from August through September 2018 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 discussed our observations and conclusions with management on September 13, 2018 and included their comments where appropriate.

Finding #1: Voyager Card Transactions

Management did not adequately review eFleet System reports to identify and dispute suspicious fuel transactions. We found 91 out of 104 high-risk fuel purchase transactions totaling \$7,904 were not properly reconciled. Specifically:

- Sixty-three transactions, totaling \$2,243, were not reviewed or disputed in FAMS. In addition, unit management could not locate receipts for 29 of these transactions totaling \$1,146. Postal Service policy³ states site managers must review the eFleet System reports for unauthorized use and unusual charges. Site managers must submit a dispute form to U.S. Bank for any purchases not authorized by the Postal Service.⁴ In addition, site managers are to reconcile receipts with reports displayed in the eFleet System⁵ and retain payment reconciliation records for two years.⁶

The supervisor stated he did not complete the FAMS certification training prior to certifying the monthly FAMS invoices. Both supervisors at the unit believed only the transactions on the FAMS Reconciliation Exception Report were required to be reviewed and reconciled. As a result of our audit, the supervisor assigned to reconcile FAMS invoices completed the online *eFleet Card for Site Manager Training* on August 13, 2018.

- Twenty-eight transactions, totaling \$5,661, were marked as reconciled and disputed on the FAMS Reconciliation Exception Report, but the unit did not maintain supporting documentation. All the transactions were marked by FAMS as high-risk because the gallons of fuel purchased exceeded the allowed maximum amount, which is an indication of potential fraudulent transactions. Postal Service policy states that site managers keep records of all disputed transactions.⁷

Unit management stated they completed and submitted the U.S. Bank Voyager Fleet Fraud Dispute Forms to U.S. Bank. However, unit management could not locate the unit's copies of the forms. The Supervisor, Customer Service, stated the forms were

³ *Postal Service Voyager Fleet Card Standard Operating Procedure (SOP)*, November 2016, Section 4.1, Reconciliation Process.

⁴ *Voyager Fleet Card SOP*, Section 5.1, Disputes.

⁵ *Voyager Fleet Card Program Frequently Asked Questions*, April 2011.

⁶ *Voyager Fleet Card SOP*, Section 4.1, Reconciliation Process.

⁷ *Voyager Fleet Card SOP*, Section 5.1, Disputes.

mailed instead of emailed or faxed because the unit did not have a fax machine or scanner equipment. The unit received a new scanner/fax/print machine the day before the audit team arrived at the unit. The OIG confirmed with U.S. Bank and they did not receive completed dispute forms for any of the transactions.

Reviewing, disputing, and retaining supporting document for possible fraudulent transactions helps ensure the Postal Service is not held financially responsible for unauthorized purchases. We consider the 57 transactions totaling \$6,807 not supported with dispute forms and missing receipts as unrecoverable questioned costs.⁸ Further, we consider the 34 transactions valued at \$1,097 not reviewed for validity as disbursements at risk.⁹

Recommendation #1: We recommend the Manager, Dallas District, reiterate to all personnel assigned to reconcile the Fuel Asset Management System invoices, the requirement to obtain receipts and review fuel transactions for unauthorized use and unusual charges.

Recommendation #2: We recommend the Manager, Dallas District, reiterate the requirement to retain documentation for two years that supports disputes with U.S. Bank for all potentially fraudulent transactions.

Management's Comments

Management agreed with the finding, recommendations, and monetary impact.

Regarding recommendations 1 and 2, district management emailed a letter dated September 17, 2018, to all Dallas District units and plants instructing all Voyager reconcilers to obtain receipts and review fuel transactions for all Voyager transactions, weekly. In the letter, the district manager also instructs the managers of the reconcilers to review the Voyager reconciliation, monthly to ensure the reconcilers adherence to the Voyager SOPs. In addition, the district manager reiterated to the reconcilers to retain all Voyager receipts and other supporting documents pertaining to disputed charges for a two-year period. A copy of the SOP was provided with the letter and included in the district's response to the OIG.

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

⁸ A weaker claim and a subset of questioned costs. Claimed because of failure to follow policy or required procedures, but does not necessarily connote any real damage to Postal Service.

⁹ Disbursements made where proper Postal Service internal controls and processes were not followed.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the finding, recommendations, and monetary impact in the report. The corrective actions taken should resolve the issues identified in the report.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Based on the information provided separately to support recommendations 1 and 2, we consider recommendations 1 and 2 closed with the issuance of this report.

Appendix A: Management's Comments

DISTRICT MANAGER (A)
DALLAS CUSTOMER SERVICE & SALES



September 18, 2018

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Voyager Card Transactions - Mesquite, TX, Main Post Office (Report
Number FCS-FM-18-DRAFT)

Management agrees with all the findings of this audit conducted by U.S. Postal Service Office of Inspector General. Management also agrees with the monetary impacts associated with the OIG audit, pertaining to Mesquite Main Post Office.

Recommendation 1:

We recommend the Manager, Dallas District, reiterate to all personnel assigned to reconcile the Fuel Asset Management System invoices, the requirement to obtain receipts and review fuel transactions for unauthorized use and unusual charges.

Management Response/Action Plan:

Management agrees with the above recommendation. The district manager will initiate a letter to all Voyager reconcilers to obtain receipts and review fuel transactions for all voyager transactions. Also, district manager will reiterate the adherence to Voyager SOP to all voyager reconcilers.

Target Implementation Date:

A letter signed by District Manager has been distributed via email to all Dallas District units and plants on September 17, 2018.

Responsible Official:

Each Unit Manager is the responsible official.

Recommendation 2:

We recommend the Manager, Dallas District, reiterate the requirement to retain documentation for two years that supports disputes with U.S. Bank for all potentially fraudulent transactions.

Management Response/Action Plan:

Management agrees to the above recommendation. The district manager will require all voyager reconcilers to retain all voyager receipts and other supporting documents

951 W BETHEL RD
COPPELL TX 75099-9998
972-393-6787
FAX: 972-393-6192

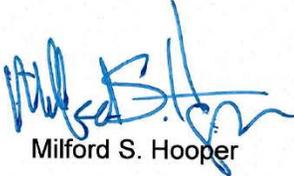
in their respective units for a two year period. This activity will be accomplished with the same letter that is being sent out for Recommendation 1.

Target Implementation Date:

A letter signed by District Manager has been distributed via email to all Dallas District units and plants on September 17, 2018.

Responsible Official:

Each Unit Manager is the responsible official.



Milford S. Hooper

cc: Corporate Audit and Response Management