



AUDIT REPORT

Voyager Card Transactions - Roseburg, OR, Post Office

April 11, 2019

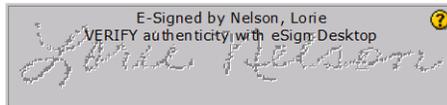


Report Number FCS-FM-19-007



April 11, 2019

MEMORANDUM FOR: WILLIAM SCHWARTZ
MANAGER, PORTLAND DISTRICT



FROM: Lorie Nelson
Director, Finance

SUBJECT: Audit Report – Voyager Card Transactions –
Roseburg, OR, Post Office
(Report Number FCS-FM-19-007)

This report presents the results of our audit of the Voyager Card Transactions - Roseburg, OR, Post Office (Project Number 19BFM006FCS000).

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 - Roseburg, OR, Post Office (Project Number 19BFM006FCS000). The Roseburg, OR, Post Office is located in the Portland District of the Western 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 credit card that is used to pay for its commercially purchased fuel, oil, and routine maintenance. U.S. Bank is responsible for operating the program, and Voyager¹ provides a weekly electronic transaction detail file of all Voyager card transactions to the Postal Service's Fuel Asset Management System (FAMS)² eFleet application.³ Site managers are responsible for monitoring Voyager card transactions in the FAMS eFleet application. FAMS provides a monthly Reconciliation Exception report, capturing only transactions that are categorized as high-risk, which may be the result of fraudulent activity. Each month, the Postal Service site manager⁴ 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.

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 Roseburg Post Office had 1,728 Voyager card transactions totaling \$41,207 from January 1 through September 15, 2018, including: 1,459 transactions totaling \$34,226 for one driver;⁵ and 269 transactions totaling \$6,980 associated with a Personal Identification Number (PIN) of '0'.⁶

Objective, Scope and Methodology

The objective of this audit was to determine whether high-risk Voyager card transactions were properly reconciled, and Voyager card PINs were properly managed. The scope of this audit included the Voyager card activity reconciliation process and management of Voyager card PINs from July through September 2018.

We analyzed Voyager card transactions in FAMS, interviewed the manager responsible for the process, and reviewed on-site supporting documentation. We relied on

¹ Voyager Fleet Systems, Inc., owned by U.S. Bank, is the contractor for the program.

² A cost management tool used for managing and controlling fuel costs.

³ 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.

⁴ The site manager is defined as the manager of an operation to which the vehicles are assigned, and has the responsibility for Voyager card reconciliation and fraud prevention.

⁵ This is the highest amount nationwide identified in our data tripwire. The next highest number of transactions by a single driver for the same period was 440 totaling about \$13,127.

⁶ A Driver 0 display indicates that the purchase was manually processed.

computer-generated data from FAMS. We did not test the validity of controls over this system. However, we verified transactions generated by FAMS against available on-site supporting documentation. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from November 2018 through April 2019, 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 February 28, 2019 and included their comments where appropriate.

Finding #1: Voyager Card Reconciliation

We reviewed all 258 transactions reported on the *FAMS Reconciliation Exception Report* as high-risk for July through September 2018, and found transactions were not always properly reconciled. Specifically:

- The site did not have supporting receipts for 26 transactions, totaling \$1,158, that were marked as reconciled in FAMS. At the time of our visit, the postmaster and supervisor were unaware that the receipts were missing and could not determine why they were not on site.
- The postmaster was not aware that “Driver 0” was listed as the driver name on 47 transactions, totaling \$1,755, that he reconciled in FAMS. He stated when he reviews the *FAMS Reconciliation Exception Report*, he only looks at the receipt and ensures the dollar value and date match the information in FAMS.
- The postmaster did not print out and file the *FAMS Reconciliation Exception Report* with the supporting documents. As a result of our audit, the Roseburg Post Office retains *FAMS Reconciliation Exception Reports* according to Postal Service policy.

This occurred because the postmaster has never taken any formal site manager training. Personnel involved in the Voyager card reconciliation process must complete the online *eFleet Card for Site Manager Training*.⁷ This training course provides instructions on how to manage and reconcile purchases made with the Voyager card.

According to Postal Service policy,⁸ the site manager must research and determine if a purchase was legitimate, annotate the review results with a comment within FAMS, and obtain the individual hard copy documentation certifying the charge. Further, the site manager or designee performing the reconciliation must certify that due diligence has been exercised in the verification of the transactions and that all supporting documentation has been verified. In addition, the supporting documents and payment reconciliation records must be retained for two years. Finally, policy states a PIN must be used with each card transaction to identify the individual authorizing that particular

⁷ *Voyager Fleet Card Standard Operating Procedures (SOP)*, November 2016, Section 1.4, Training and Accountability.

⁸ *Voyager Fleet Card SOP*, Section 4.1, Responsibilities.

purchase and transactions cannot be performed without a postal employee providing a PIN.⁹

Reviewing and disputing possible fraudulent transactions ensures the Postal Service is not held financially responsible for unauthorized purchases. In addition, maintaining these records provides accountability of Voyager card transactions.

Recommendation #1: We recommend the Manager, Portland District, instruct management to complete *eFleet Card for Site Manager Training*.

Recommendation #2: We recommend the Manager, Portland District, instruct management to ensure employees are using their personal identification number for Voyager card transactions; and review Fuel Asset Management System reconciliation for “Driver 0” transactions.

Finding #2: Management of Voyager Card PINs

Voyager card PINs were not properly managed at the Roseburg, OR, Post Office. From July through September 2018, a vendor manually processed or used the postmaster’s or customer service supervisor’s PIN for 823 transactions valued at \$23,297. In addition, seven active carriers did not have PINs and one retired employee had an active PIN.

According to the postmaster and customer service supervisor, the unit’s procedures for fueling vehicles are as follows:

- The vendor for a gas station in Roseburg comes to the unit at 7am every day.
- Upon arrival at the unit, the vendor checks all of the delivery vehicles in the parking lot and determines which vehicles need fuel.
- If a vehicle needs fuel, the vendor enters the unit and obtains the vehicle’s keys and attached Voyager card which hangs on a wall next to the unit’s time clock.
- The vendor then drives the vehicle to his gas station to refuel and may conduct maintenance on the vehicle, if necessary, such as adding oil, coolant and steering fluid.
- The vendor uses the postmaster’s, or customer service supervisor’s Voyager card PIN, or manually processes the Voyager card transaction.
- The vendor returns the vehicle before the carriers go out for delivery.

Management provided the vendor with the postmaster’s and customer service supervisor’s Voyager card PINs to process these transactions and stated they

⁹ *Voyager Fleet Card SOP*, Section 2.2.2, PIN Management.

implemented this procedure locally to save time and money. Further, management was unaware of procedures pertaining to updating Voyager PINs.

Postal Service policy¹⁰ states site managers are responsible for the security of Voyager cards and maintaining the PIN process, and that providing a dedicated Voyager PIN to a merchant is prohibited. In addition, the service agreement provided to the audit team does not authorize the vendor to operate Postal Service vehicles.¹¹ Further, site managers are responsible for updating driver information with U.S. Bank and maintaining appropriate security over the PIN list. As soon as an employee leaves the site, either permanently or for detail, the PIN must be terminated.¹²

When Voyager card PINs are not managed properly they could be used to make unauthorized and improper purchases. Further, when an unauthorized driver operates a Postal Service vehicle, the Postal Service is at risk of potential damages. We consider the 823 transactions valued at \$23,297 conducted by this vendor as disbursements at risk.¹³ We referred this issue to the U.S. Postal Service Office of Inspector General's Office of Investigations for further review.

As a result of our audit, management updated the PIN list and will review them monthly. Therefore, we will not make a recommendation regarding PINs.

Recommendation #3: We recommend the Manager, Portland District, to direct management to discontinue permitting a local merchant to operate Postal Service owned vehicles and use Voyager cards and employee Personal Identification Numbers.

Management's Comments

Management agreed with recommendations 1 and 2 and partially agreed with recommendation 3. Management disagreed with the OIG's position regarding vendors operating Postal Service vehicles. They stated vendors operating vehicles being serviced is considered industry standard, and there are many service vendors driving vehicles from vendor locations to Postal Service units. Management stated this vendor performs fluid checks and minor repairs for their vehicles in addition to fueling them. Further, this vendor is insured and assumes responsibility for Postal Service vehicles while in their possession.

Regarding recommendation 1, management stated they will require the Postmaster, Officer-in-Charge, and supervisors to complete eFleet Card for Site Manager Training by April 15, 2019. In subsequent correspondence, management provided applicable training records showing completion of training on March 18, 2019.

¹⁰ *Voyager Fleet Card SOP*, Section 1, Introduction and Responsibilities, and Section 2.2.2, PIN Management.

¹¹ Service Contract Act (SCA) agreement between the Postal Service and the vendor, dated March 26, 2013.

¹² *Voyager Fleet Card SOP*, Section 2.2.2, PIN Management.

¹³ Disbursements made where proper Postal Service internal controls and processes were not followed.

Regarding recommendation 2, management stated that upon completion of the required training, they will give standup talks to employees on the proper use of PINs. In addition, the site manager will review FAMS reconciliation reports compliance during monthly reconciliations. On April 4, 2019, management provided a list of the employees that attended the standup talks given on March 13 and 14, and April 1 and 2, 2019. In addition, regarding review of FAMS reconciliation reports, they clarified that they would complete two random reviews of the Roseburg Voyager process by July 31, 2019 to ensure key controls are in place.

Regarding recommendation 3, district management directed local management to discontinue permitting vendors to use Voyager cards and PINs. In addition, they required the Postmaster and supervisor to update their PINs by April 1, 2019, to ensure the practice does not continue. Management did not agree to discontinue permitting the local vendor to operate Postal Service owned vehicles. In subsequent correspondence, management provided documentation to show that on March 21, 2019, both the Postmaster and supervisor updated their PINs. They also provided a new service contract agreement that includes vendor authorization to operate Postal Service owned vehicles.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the findings and recommendations in the report. The corrective actions taken should resolve the issues identified in the report. We continue to believe that allowing vendors to operate Postal Service owned vehicles potentially puts the Postal Service at risk of damages. Accordingly, we may explore the issue as part of future audit work.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective action is completed. We reviewed management's subsequent documentation and found it adequate to resolve most of the issues identified in this report. We consider recommendations 1 and 3 closed with the issuance of this report. Recommendation 2 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

Appendix A: Management's Comments

March 21, 2019

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Voyager Card Transactions – Roseburg, OR, Post Office
(Report Number FCS-FM-19-DRAFT)

Portland District appreciates the opportunity to address the findings from the OIG's audit on Voyager transactions at the Roseburg OR Post Office. We agree with the OIG's assessment of the transactions at risk totaling \$23,297 related to PIN use. We do not agree with the OIG's position regarding vendors needing authorization to operate Postal Service vehicles. It is considered industry standard for these type vendors to operate vehicles they are servicing. We have many service vendors that provide maintenance for our vehicles and they drive them from their location to our units. In this instance the vendor, in addition to fueling, performs fluids checks and minor repairs for our vehicles. This vendor is insured and assumes responsibility for the vehicles while in their possession.

Recommendation #1: We recommend the Manager, Portland District, instruct management to complete eFleet Card for Site Manager Training.

Management Response/Action Plan:

We agree with the recommendation. The Postmaster, current OIC, and supervisors at Roseburg Post Office will be required to complete the referenced training.

Target Implementation Date:

April 15, 2019

Responsible Official:

Manager Post Office Operations

Recommendation # 2: We recommend the Manager, Portland District, instruct management to ensure employees are using their personal identification number for Voyager card transactions; and review Fuel Asset Management System reconciliation for "Driver 0" transactions.

Management Response/Action Plan:

We agree with the recommendation. After completing the training stated above, Management will give standup talks to employees on proper use of PIN's. Site manager will review the FAMS reconciliation reports compliance during monthly reconciliations.

Target Implementation Date:

March 29, 2019

Responsible Official: Manager Post Office Operations

Recommendation #3: We recommend the Manager, Portland District, to direct management to discontinue permitting a local merchant to operate Postal Service owned vehicles, utilize USPS Voyager cards, or employee Personal Identification Numbers.

Management Response/Action Plan:

We agree with the recommendation. District Manager has directed the Manager Post Office Operations to instruct to local management to cease this practice of permitting the local merchant to utilize USPS Voyager cars or PINs. The local manager and supervisor will be required to update their PINs in Fleet commander to ensure the practice does not continue. We do not agree with the recommendation to discontinue permitting the local merchant to operate Postal Service owned vehicles as stated in the opening statement.

Target Implementation Date:

April 1, 2019

Responsible Official:

Manager Post Office Operations



William Schwartz
District Manager
Portland District

cc: Manager, Corporate Audit Response Management
John DiPeri, A/ Manager Operations Support, Western Area
Tyrone Williams, Manager, Delivery Programs, Western Area
Garrett Fissell, District Finance Manager (A), Portland District
Janet Wedgworth, Manager Post Office Operations