



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

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**Monitoring of Government  
Travel Card Transactions in the  
Southern Area**

**Management Advisory**

August 30, 2013

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Report Number DP-MA-13-003



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

# HIGHLIGHTS

August 30, 2013

## Monitoring of Government Travel Card Transactions in the Southern Area

Report Number DP-MA-13-003

### **BACKGROUND:**

The U. S. Postal Service uses the Government Services Administration SmartPay2<sup>®</sup> Program to administer the travel card program. Citibank<sup>®</sup> is the provider of the travel card for the Postal Service and issues VISA<sup>®</sup> branded travel cards to Postal Service employees for use while on official travel. Employees can use the SmartPay2 travel card for transportation, lodging, and other travel related services when traveling on official business. Postal Service policy states that employees may not use the government travel card for personal business and limits cash advances to \$50 per day of official travel.

To assist with the administration of the travel card program, each Postal Service area and district office has a travel card coordinator. In addition, the travel card coordinators monitor travel card transactions and identify unauthorized purchases and transactions that could indicate misuse or unusual activity.

There were 9,176 government travel cardholders in the Southern Area as of March 31, 2013, and 2,462 cardholders used their travel card in the previous 12 months. This includes 1,826 cash advance transactions for approximately \$367,000 and 31,754 purchase transactions totaling about \$6.6 million.

Our objective was to determine whether Postal Service travel card coordinators in the Southern Area were effectively monitoring government travel card transactions.

### **WHAT THE OIG FOUND:**

The Southern Area travel card coordinators were effectively monitoring government travel card transactions. However, travel card coordinators can improve the monitoring of cash advances. Specifically, we identified 211 instances, totaling more than \$53,000, of inappropriate cash withdrawals for travel advances from April 2012 through March 2013.

### **WHAT THE OIG RECOMMENDED:**

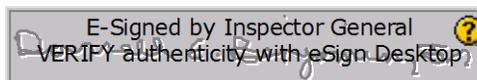
The Southern Area took actions during the course of our review and therefore, this report does not contain any recommendations. Specifically, the Southern Area distributed a *Citibank Travel Card Monitoring Standard Operating Procedure* to all travel card coordinators outlining coordinator duties and responsibilities. Additionally, the Postal Service provided Citibank Custom Reporting System training to all Citibank coordinators. The training included new reporting tools to aid travel card coordinators in monitoring cash advance and purchase transactions.

[Link to review the entire report](#)



August 30, 2013

**MEMORANDUM FOR:** JO ANN FEINDT  
VICE PRESIDENT, SOUTHERN AREA OPERATIONS



**FROM:** Darrell E. Benjamin, Jr.  
Deputy Assistant Inspector General  
for Revenue and Performance

**SUBJECT:** Management Advisory – Monitoring of Government Travel  
Card Transactions in the Southern Area  
(Report Number DP-MA-13-003)

This report presents the results of our review of Monitoring of Government Travel Card Transactions in the Southern Area (Project Number 13RG018DP000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Kevin H. Ellenberger, director, Data Analysis and Performance, or me at 703-248-2100.

Attachment

cc: Timothy F. O'Reilly  
Michael L. Barber  
Corporate Audit and Response Management

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## Introduction

This report presents the results of our review of Monitoring of Government Travel Card Transactions in the Southern Area (Project Number 13RG018DP000). The objective of our review was to determine whether U.S. Postal Service travel card coordinators in the Southern Area were effectively monitoring government travel card transactions. This review was self-initiated. See [Appendix A](#) for additional information about this review.

The Postal Service provides individual government travel cards to designated employees for use while on official travel. Employees are responsible for all charges and automated teller machine (ATM) withdrawals. However the use of the government travel cards is governed by Postal Service policy.<sup>1</sup> This includes prohibiting employees from using the card for personal business.

The Southern Area designated 13 Postal Service employees, one in each district, as travel card coordinators to monitor the government travel card transactions of cardholders assigned to the Southern Area.<sup>2</sup> To assist the travel card coordinators in their duties, Citibank<sup>®</sup> produces reports showing card activity. As of July 2013, travel card coordinators are responsible for reviewing Citibank reports for compliance with policies set forth in Handbook F-15. Using these reports, travel card coordinators are required to monitor government travel card purchase transactions for non-travel related activity or potential misuse, cash advances greater than \$50 per travel day, and cash advance or purchase transactions when the employee had not traveled. The travel card coordinators also examine transactions that indicate potential misuse by reviewing travel expense reports contained in the Postal Service eTravel<sup>3</sup> system to determine if the transactions are related to official travel.

There were 9,176 government travel cardholders in the Southern Area as of March 31, 2013, and 2,462 cardholders used their travel card in the previous 12 months. This includes 1,826 cash advance transactions for about \$367,000 and 31,754 purchase transactions totaling about \$6.6 million.

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<sup>1</sup> Handbook F-15, *Travel and Relocation*, May 2011.

<sup>2</sup> The Southern Area office is located in Dallas, TX, and has 13 districts (Alabama, Arkansas, Dallas, Fort Worth, Gulf Atlantic, Houston, Louisiana, Mississippi, Oklahoma, Rio Grande, South Florida, South Georgia, and Suncoast) with Citibank travel card coordinators.

<sup>3</sup> eTravel is a Web-based system that automates the expense management process. The eTravel system enables Postal Service employees to manage their business travel expenses; create, review, and submit expense reports; and, access policy compliance information.

## Conclusion

Southern Area travel card coordinators were effectively monitoring government travel card transactions. However, travel card coordinators can improve the monitoring of cash advances. Specifically, we identified 211 instances, totaling more than \$53,000, of inappropriate cash withdrawals for travel advances from April 2012 through March 2013. We consider these cash withdrawals as other impact, see [Appendix B](#).

## Monitoring of Cash Advances

Travel card coordinators can improve the monitoring of cash advances. A review of 554 high risk cash advances<sup>4</sup> identified 211 cash advances unrelated to official travel or in excess of the amount allowed by Postal Service policy.<sup>5</sup> Specifically, we noted:

- 153 cash advances with no related official travel.<sup>6</sup>
- 50 cash advances where employees took cash in excess of the allowable limit of (\$50 a day or \$350 a week).<sup>7</sup>
- Eight cash advances where employees took their advance more than 5 days before the trip started.<sup>8</sup>

Travel card coordinators were not aware of the indicators that would alert them to this potential misuse because they were not provided guidance. As a result, we identified more than \$53,000 of inappropriate cash advances from April 2012 through March 2013. This represents 14 percent of all cash advances taken during this period. Monitoring travel card transactions, such as cash advances, is important to reduce the risk of credit card delinquencies or negative publicity when employees use their travel card for personal reasons. In addition, abuse of the travel card could negatively impact the Postal Service's contractual relationship with Citibank.

The Postal Service began corrective actions in May 2013 by conducting nation-wide training for all travel card coordinators regarding their duties and responsibilities. The training provides the travel card coordinators access to electronic reports and tools that will assist in identifying misuse and unusual activity.<sup>9</sup> In addition, during our audit, the Southern Area distributed standard operating procedures for travel card coordinators to use when monitoring travel card usage for potential fraud or abuse. We believe these reports, tools, and procedures will enhance the travel card coordinators ability to

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<sup>4</sup> We examined all 554 employees from a travel advance report that listed travel advance transactions without an airfare or lodging charge during the associated travel period.

<sup>5</sup> These cash advance transactions were made by 53 different employees.

<sup>6</sup> Handbook F-15, Section 3-2.4, dated May 2011.

<sup>7</sup> Handbook F-15, Section 4-2.1.2.

<sup>8</sup> Handbook F-15, Section 4-2.3.2.

<sup>9</sup> The Postal Service has access to Citibank online automated tools to monitor cardholder transactions and manage compliance with Postal Service policies. Citibank refers to these tools as the Program Audit Tool which flags potential travel card misuse and fraud.

monitor travel card transactions including cash advances. Therefore we are not making any recommendations regarding this issue.

### **Recommendations**

The corrective actions already in progress should correct the issue discussed, therefore, we made no recommendations in this report.

### **Management's Comments**

Management reviewed a draft of this report and had no comments or concerns.

## Appendix A: Additional Information

### Background

The Postal Service uses the Government Services Administration SmartPay2 Program<sup>10</sup> to administer the travel card program. Citibank is the provider of the travel card for the Postal Service and issues VISA travel cards to Postal Service employees for use while on official travel. The travel card also provides access to ATMs. The Postal Service established its policies for employees that travel for official business in Handbook F-15.

Employees can use individually billed<sup>11</sup> travel cards for transportation, lodging, and other travel related services when traveling on official business. Postal Service policy states that employees may not use their official government travel card for personal business and limits cash advances to \$50 per day of official travel.

To assist with the administration of the travel card program, each Postal Service area and district office has a travel card coordinator. In addition to providing administrative support for employees, travel card coordinators monitor and identify unauthorized purchases (such as purchase of non-travel related items), inappropriate cash advances, and transactions that indicate misuse or unusual activity charged to the travel card.

### Objective, Scope, and Methodology

Our objective was to determine whether Postal Service travel card coordinators in the Southern Area were effectively monitoring government travel card transactions. To accomplish this objective:

- We reviewed the VISA IntelliLink<sup>12</sup> report for high risk transactions from April 2012 through March 2013 to identify employees who potentially took ATM cash advances while not on official travel. We also tested for employees who withdrew excessive amounts of cash (over the allowable \$50 per day of official travel), and who made cash withdrawals more than 5 days before the start of their travel.
- We reviewed the Citibank transaction history report from April 2012 through March 2013 to identify employees who used their travel card for purchases of personal items while not on official travel.
- We interviewed all 13 Southern Area travel card coordinators to determine their knowledge of the roles and responsibilities associated with monitoring government travel card transactions.

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<sup>10</sup> Manages a set of master contracts through which agencies, including the Postal Service, can obtain credit cards for employees to accomplish their mission.

<sup>11</sup> Issued card to postal employee, the card is in their name, and charges are billed directly to them for payment.

<sup>12</sup> A web-based information-services application that allows access to information that can improve misuse detection.

- We attended the Citibank Custom Reporting System<sup>13</sup> training in May 2013. We became aware of new reporting options available to aid travel card coordinators when monitoring government travel card transactions.
- We used the Postal Service eTravel system to research claims for travel reimbursement to determine whether employees were on official business during the period they made cash withdrawals and purchases using the travel card.
- We reviewed all cash advances to determine if any were made at gambling locations.

We conducted this review from May through August 2013, in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*. We discussed our observations and conclusions with management on August 20, 2013, and included their comments where appropriate.

We assessed the reliability of VISA IntelliLink and Citibank data by cross-validating purchase and advance transactions against official travel recorded in eTravel and also receiving the responses of district travel card coordinators as additional validation. We determined that the data were sufficiently reliable for the purposes of this report. We also accessed the Citibank data by using single sign-on (SSO) technology. We were satisfied the information systems were adequately protected from unauthorized access when applications required SSO authentication. We also compared selected transactions to the eTravel system for accuracy and found the data to be reliable for our purposes.

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<sup>13</sup> The Citibank Custom Reporting System is an online tool available for capturing and managing information related to card transactions from line-item details to consolidated data at a global level and everything in between. A user will have access to over 600 data elements and is able to create custom reports.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Travel Expense Reimbursements and Travel Card Usage</i>	FT-AR-12-014	9/27/2012	None
<p><b>Report Results:</b> Postal Service employees improperly claimed expenses on their travel reimbursements and inappropriately used their travel card. Approving managers did not have a mechanism to adequately monitor travel card activity. Also, the Postal Service did not have clear instructions explaining how to handle canceled airfare expenses. As a result, the Postal Service was exposed to inappropriate or fraudulent activity that could negatively affect its reputation. Management agreed, in principle, with the recommendations.</p>			
<i>Compliance With Travel Policies and Opportunities for Cost Savings</i>	FF-AR-11-007	2/9/2011	\$1.2
<p><b>Report Results:</b> Postal Service employees did not comply with prescribed travel policies resulting in excessive travel costs for lodging and airfare in fiscal years 2009 and 2010. We estimated the Postal Service could realize savings over 2 years by taking action to curtail employee noncompliance with travel policies. Further, the Postal Service did not cancel credit cards issued to former employees, including employees listed as deceased in employee records. Management agreed with the findings and monetary impact and agreed, in principle, with the recommendations.</p>			

**Appendix B: Other Impacts**

<b>Finding</b>	<b>Impact Category</b>	<b>Amount</b>
Monitoring Cash Advances	Goodwill Branding <sup>14</sup>	211 instances valued at \$53,000

We identified 211 instances, totaling more than \$53,000, of inappropriate cash withdrawals for travel advances from April 2012 through March 2013.

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<sup>14</sup> An adverse impact on goodwill is an actual event/problem that harms the Postal Service's reputation or a potential problem that could negatively impact the Postal Service "brand name."