



AUDIT REPORT

Local Travel Payments - Louisville, KY, Galleria Finance Station

March 12, 2020



Report Number 20-147-R20



March 12, 2020

MEMORANDUM FOR: DAVID O. JONES
MANAGER, KENTUCKIANA DISTRICT

E-Signed by Dianna Smith
VERIFY authenticity with eSign Desktop
Dianna A. Smith

FROM: *for*
Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Local Travel Payments -Louisville, KY,
Galleria Finance Station (Report Number 20-147-R20)

This report presents the results of our audit of the Local Travel Payments -
Louisville, KY, Galleria Finance Station.

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: Postmaster General
Corporate Audit and Response Management

Background

This report presents the results of our self-initiated audit of Local Travel Reimbursements – Louisville, KY, Galleria Finance Station (Project Number 20-147). The Galleria Finance Station¹ is in the Kentuckiana District of the Eastern Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

The U.S. Postal Service Office of Inspector General's (OIG) data analytics identified the Galleria Finance Station had local travel reimbursements totaling \$16,611, or 88.5 percent of all local travel reimbursements within the Kentuckiana District for the period of October 1, 2016, through December 31, 2019. The Galleria Finance Station had recurring monthly local travel reimbursements of \$426, totaling \$1,278 per quarter,² and about \$5,111 per fiscal year (FY)³ (see [Table 1](#)).

Table 1. Travel Activity

FY, Quarter (Q)	Local Travel Galleria Finance Station	Kentuckiana District	Percentage of Galleria Finance Station to District
FY 2017	\$5,084	\$5,711	89.0%
FY 2018	5,123	5,888	87.0%
FY 2019	5,126	5,856	87.5%
FY 2020, Q1 ⁴	1,278	1,318	97.0%
Total	\$16,611	\$18,773	88.5%

Source: Enterprise Data Warehouse (EDW)⁵ reports.

Postal Service employees use the eTravel system⁶ to claim regular and local travel reimbursements. Those not using eTravel should submit all claims for local travel reimbursements using Postal Service (PS) Form 1164, Claim for Reimbursement for Expenditures on Official Business.⁷

¹ Postal Service stations are located within the corporate limits or city carrier delivery area of the city or town in which the Administrative Post Office is located. An Administrative Post Office is a post office that has administrative responsibilities for a cluster or up to about 10 post offices referred to as Remotely Managed Post Offices.

² A quarter occurs every three months beginning in October.

³ A fiscal year begins October 1 and ends September 30.

⁴ FY 2020, Q1 is October 1 through December 31, 2019.

⁵ A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the Enterprise Data Warehouse (EDW) from transactions that occur across the mail delivery system, points-of-sale, and other sources.

⁶ An automated Web-based system used to report travel expenses and process payments. The system automatically performs many calculations, including mileage charges, per diem expenses, and trip totals.

⁷ Handbook F-15, *Travel and Relocation*, September 2015, Section 7-1.

Objective, Scope and Methodology

The objective was to determine whether local travel reimbursements at the Louisville, KY, Galleria Finance Station were appropriate and properly supported.

To achieve our objective, we analyzed local payments charged to Account Identifier Code (AIC)⁸ 538,⁹ Local Transportation, identified between October 1, 2016, and December 31, 2019, comprised of 42 payments filed on 42 days. We also examined PS Form 1164 and other supporting documentation for the entire population of payments. In addition, we interviewed the customer service manager and other personnel responsible for oversight and processing of local travel payments.

We relied on computer-generated data from EDW. We did not test the validity of controls over this system; however, we verified the accuracy of the data by reviewing related documentation, tracing selected information to supporting source records, and interviewing knowledgeable Postal Service employees. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from January through March 2020 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 objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusion based on our audit objective. We discussed our observations and conclusions with management on February 27, 2020, and included their comments where appropriate.

Finding #1: Local Travel Payments

Local travel reimbursements were not appropriate or properly supported. Specifically, we reviewed 42 payments, totaling \$16,611, used for recurring employee parking that the unit did not need. The four monthly parking passes were processed using PS Form 1164 as local travel reimbursements and paid monthly to the public parking garage using no-fee money orders. Two were used for full time employees. The other two parking passes were used occasionally by a supervisor and an employee from the main post office that picks up mail from this station. Local agreements were made that the full-time employees at the unit pay a portion of the monthly parking garage fees in the amount of \$15 per month, and the Postal Service incurs the remaining expense in the amount of \$426 per month (see [Table 2](#)).

⁸ The AIC is a three-digit code that assigns the financial transaction to the proper account in the general ledger.

⁹ Expense associated with refund of local transportation as reported on PS Form 1312, *Local Transportation Payments*, Standard Form 1164, *Claim for Reimbursement for Expenditures on Official Business*.

Table 2. Parking Payment Breakdown

Timeframe	Postal Service Pays	Employee Pays	Number of Employees	Total
Month	\$426	\$15	2	\$456
Quarter	1,278	45	2	\$1,368
Year	\$5,112	\$180	2	\$5,472

Source: OIG analysis.

This is a unit with two full time employees, no mail delivery, and two free parking spaces currently available (see Figure 1.a. and 1.b.), in addition to the four parking passes the unit purchases monthly. Any mail that needs further processing is picked up by another employee from the main post office.

Figure 1.a. Employee Parking



Figure 1.a.: Free available employee parking

Figure 1.b. Parking / Parking Garage

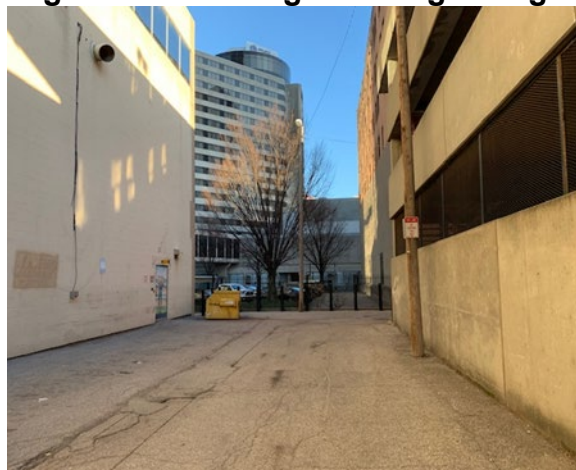


Figure 1.b.: Public garage parking on the right.

Unit management did not provide oversight of local travel payments processed by the unit. Management stated that paying for parking passes and paying with no-fee money orders has been an accepted practice regarding employee parking. In addition to the current two free parking spots, additional free parking spots can be requested from the building management. Therefore, there is not a need to pay for parking for the employees.

We determined that the Postal Service incurred unnecessary expenses in the amount of \$11,527 in questioned costs.¹⁰ Additionally, we estimate the Postal Service could have funds put to better use¹¹ in the amount of \$15,369 by eliminating the use of public parking for the next three years.

¹⁰ Unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, and so forth. May be recoverable or unrecoverable. Usually a result of historical events.

¹¹ Funds that could be used more efficiently by implementing recommended actions.

Recommendation #1: We recommend **the Manager, Kentuckiana District**, evaluate the need to continue with incurring monthly parking fees and, as appropriate, take necessary action to eliminate the use of parking passes.

Management's Comments

Management agreed with the finding and recommendation. District management provided the local union with written notification effective April 1, 2020, that the post office will no longer pay for employees to park in the public parking garage. Employees have been instructed to park in the reserved parking spaces behind the post office and that continued parking in the public parking garage will be at their own expense. In subsequent correspondence, management stated they agreed with the monetary impact.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the finding and recommendation in the report and corrective actions should resolve the issues identified. We reviewed management's subsequent correspondence and found it adequate to resolve the issues identified. We consider the recommendation closed with the issuance of this report.

Appendix A. Management's Comments

District Manager
Kentuckiana District



March 11, 2020

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Audit Report-Local Travel Payments-Louisville, KY, Galleria Finance Station
(Project Number 20-147)

The U.S. Postal Service Office of Inspector General's (OIG) data analytics identified the Galleria Finance Station had local travel reimbursements totaling \$16,611, or 88.5 percent of all local travel reimbursements for the Kentuckiana District for the period of October 1, 2016, through December 31, 2019. The Galleria Finance Station had recurring monthly local travel reimbursements of \$426, totaling \$1,278 per quarter, and about \$5,111 per fiscal year. The OIG's report determined the Postal Service incurred unnecessary expenses in the amount of \$11,527 in questioned costs for monthly parking garage fees when free parking spaces were provided. Additionally, the OIG estimated the Postal Service could put funds to better use in the amount of \$15,369 by eliminating the use of public parking for the next three years. The Postal Service is in agreement with the findings of the OIG report.

Recommendation #1:

We recommend the Manager, Kentuckiana District, evaluate the need to continue with incurring monthly parking fees and, as appropriate, take necessary action to eliminate the use of parking passes.

Management Response/Action Plan:

The U.S. Postal Service, Kentuckiana District, is in agreement with the findings of the OIG report to stop paying for garage parking fees when free parking spaces are provided.

The Manager, Customer Services at the Louisville Downtown Station has provided the local union with written notification effective April 1, 2020, the Post Office will no longer pay for reserved parking spaces in the garage behind the Galleria Post Office. Employees have been instructed to park in the reserved parking spaces in the alley behind the Post Office, and if they wish to continue parking in the parking garage they must do so at their own cost.

Target Implementation Date:

April 1, 2020

Responsible Official:

Manager, Customer Services, Louisville Downtown Station

A handwritten signature in blue ink that reads "Karen L. Garber".

Karen L. Garber
Manager, Kentuckiana District (A)

PO Box 31000
Louisville, Kentucky 40231