Audit Report

Voyager Card Transactions – Philadelphia, PA, Paschall Station

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Transmittal Letter

OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

December 13, 2021

MEMORANDUM FOR: GARY VACCARELLA
MANAGER, DISTRICT DE-PA2

FROM: Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Voyager Card Transactions – Philadelphia, PA, Paschall Station (Report Number 21-230-R22)

This report presents the results of our audit of Voyager Card Transactions – Philadelphia, PA, Paschall Station.

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

Attachment

cc: Postmaster General
Corporate Audit and Response Management

Results

Background

This report presents the results of our self-initiated audit of Voyager Card Transactions – Philadelphia, PA, Paschall Station (Project Number 21-230). The Paschall Station is in the DE-PA2 District of the Atlantic Area.[1] 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 Fleet card (Voyager card) to pay for its commercially purchased fuel, oil, and routine maintenance. U.S. Bank operates the program and Voyager[2] provides a weekly electronic transaction detail file of all Voyager card transactions to the Postal Service's Fuel Asset Management System (FAMS) eFleet application.[3] Site managers monitor Voyager card transactions in the FAMS eFleet application. FAMS provides a monthly Reconciliation Exception Report, capturing transactions categorized as "high risk," which may result from fraudulent activity. Each month, the Postal Service site manager[4] ensures that 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.

Employees must use their unique personal identification number (PIN) in conjunction with the Voyager card. Site managers are responsible for managing PINs, including creating, modifying, and terminating them in the Fleet Commander Online (FCO) system.[5] They must also complete semiannual driver certifications to ensure the accuracy and completeness of employee PIN information.

Account Identifier Code (AIC)[6] 594, Vehicle Fuel and Oil Expense Paid Locally, transactions are associated with vehicle drivers making emergency purchases of up to three gallons of fuel, oil and minor service of postal vehicles, and vehicle washing at coin-operated car washes. Additionally, charges to AIC 594 are associated with a Vehicle Maintenance Facility (VMF).[7]

The U.S. Postal Service Office of Inspector General (OIG) uses data analytics to identify offices with potentially fraudulent Voyager card activity. The Paschall Station had 2,249 Voyager card transactions from January 1 through June 30, 2021, totaling $147,356, 387 of which FAMS marked as "high risk". In addition, we identified 537 Voyager card fuel purchases associated with four employees' PINs, valued at $22,559.

In addition, transactions recorded in AIC 594[8] indicated that local payments for reimbursement of local fuel purchases may have been made with cash or money orders. Between January 1 and June 30, 2021, the Paschall Station incurred $3,899 in vehicle supplies expense (see Table 1). This represents 32 percent of the district's total vehicle supplies expense and was also the highest amount in the district.

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1   The Paschall Station was previously in the Eastern Area.
2   Voyager Fleet Systems, Inc., owned by U.S. Bank, is the contractor for the program.
3   Internet 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 cards.
4   Manager of an operation to which the vehicles are assigned and who has the responsibility for Voyager card reconciliation and fraud prevention.
5   A Voyager system used to add, cancel, and replace cards, PINs, and vehicles.
6   A three-digit code that assigns financial transactions to the proper account on the general ledger. Each AIC is assigned a corresponding general ledger account.
7   A Postal Service repair shop and garage that maintains postal vehicles and provides support documents for vehicle cost and accounting reports.
8   Expenses associated with payment for emergency purchases of fuel, oil, and minor service of postal vehicles and washing vehicles at coin-operated car washers associated with vehicle maintenance facilities.

Table 1. Vehicle Supplies Expense for Paschall Station

Month	DE-PA2 District	Paschall Station	Percentage of Paschall Station to District
January	$2,150	$873	41%
February	2,177	861	40%
March	2,766	886	32%
April	2,178	844	39%
May	990	355	36%
June	2,006	80	4%
Total	**$12,267**	**$3,899**	**32%**

Source: OIG analysis of Enterprise Data Warehouse (EDW)[9] reports.

Objective, Scope, and Methodology

The objective of this audit was to determine whether:

- Voyager card transactions were properly reconciled, and Voyager card PINs were properly managed.

- Vehicle, fuel, and oil expenses incurred were appropriate, properly supported, and processed.

The scope of this audit included management of Voyager cards, PINs, and activity; and vehicle, fuel, and oil expense transactions charged to AIC 594 from January 1 through June 30, 2021. To meet our objective, we performed an inventory count of Voyager cards assigned to the unit and randomly sampled and analyzed 131 of 387 (33 percent) high-risk Voyager card transactions in FAMS. We also reviewed multiple purchases made with the same PINs and analyzed 68 vehicle, fuel, and oil expense transactions

charged to AIC 594. Finally, we reviewed all supporting documentation and verified it to Postal Service Form 1412, Daily Financial Report.[10]

We relied on computer-generated data from FAMS and EDW. We did not test the validity of controls over these systems; 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 September through December 2021 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 findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on November 19, 2021 and included their comments where appropriate.

Finding Summary

Unit management did not always properly reconcile Voyager card transactions or manage Voyager card PINS or cards. Further, unit management did not properly process, pay or record vehicle, fuel, and oil expenses.

Finding #1: Voyager Card Reconciliation

Unit management did not always properly reconcile Voyager card transactions. Specifically, of the 131 high-risk transactions reviewed:

- One hundred fourteen (87 percent) transactions, totaling $7,640, did not have receipts to properly support fuel purchases (see Table 2), and none of the receipts had the vehicle number written on them.

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9 A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the EDW from transactions that occur across the mail delivery system, point-of-sale, and other sources.
10 Provides postal retail units with a uniform method to report financial transactions.

- Unit management did not dispute high-risk transactions such as gallons of fuel purchased that exceeded the allowed maximum amount, non-fuel/oil maintenance item purchases, or duplicate transactions. Additionally, they did not keep a copy of the reconciliation report on file.

- Unit management did not notify the OIG of potential fraud or misuse.

Table 2. Voyager Card Transactions Without Receipts

High-Risk Transaction Exception Type	Total Number Reviewed	Number With No Receipt
Gallons of Fuel Purchased Exceeds Allowed Maximum Amount	118	102
Too Many Fuel Purchases within a Single Month	1	0
Non-Fuel/Oil Maintenance Item Purchased	3	3
Duplicate Transactions	2	2
Vehicle in Storage	7	7
Total	**131**	**114**

Source: OIG analysis and onsite observations.

The customer service supervisor stated that when receipts were available, they compared receipt amounts to the Monthly Reconciliation Exception Report and verified that the type of fuel gallons purchased matched the type of vehicle. However, they did not research the transactions or obtain appropriate documentation when a carrier did not provide a receipt. In addition, they did not determine why high-risk transactions occurred.

Postal Service policy[11] states that every attempt should be made to secure a receipt for each transaction. In cases where a receipt is not received, the manager must contact the appropriate individual to research and determine if the purchase was legitimate, annotate the review results with a comment in FAMS, and obtain from the individual hard copy documentation certifying the charge. In addition, the driver must complete and sign a No Receipt Form.[12] Drivers must also record vehicle numbers on receipts and give them to their supervisors. Further, unit management must print the monthly FAMS Reconciliation by Exception report and retain it, together with receipts, on file for two years.[13] Finally, policy[14] states that managers must notify the OIG of potential fraud or misuse.

These issues occurred because unit management was not aware of the requirements to dispute transactions, obtain receipts, keep a copy of monthly reconciliation reports on file, or notify the OIG. In addition, unit management had not completed *eFleet Card for Site Manager Training or Voyager Fleet Commander Online (FCO) Training.*[15]

When Voyager card transactions are not properly reconciled there is an increased risk that the Postal Service will not identify unauthorized purchases. Also, maintaining these records provide accountability of Voyager card transactions. In addition, falsely certifying reconciliation of Voyager transactions may result in a fine of not more than $10,000 per occurrence or imprisonment of not more than five years or both. Further, notifying the OIG can help identify systemic and fraudulent activity. We consider the 114 transactions with missing receipts totaling $7,640 to be unsupported questioned costs.[16]

Recommendation #1
We recommend the **Manager, District DE-PA2**, instruct management at the Paschall Station responsible for managing Voyager card Personal Identification Numbers to complete *eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training.*

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11 *Voyager Fleet Card SOP,* Section 4.1, Responsibilities, November 2016.
12 *Standard Work Instructions,* February 25, 2019.
13 *Voyager Fleet Card SOP,* Section 4.1, Responsibilities, November 2016.
14 *Voyager Fleet Card SOP,* Section 4.1, Responsibilities.
15 The Voyager Fleet Commander Online application is used by Postal Service staff to create and manage Voyager card PINs.
16 A subset of questioned costs claimed because of missing or incomplete documentation, or failure to follow required procedures.

Recommendation #2

We recommend the **Manager, District DE-PA2**, reiterate to unit management at the Paschall Station the requirement to research the reason for exceptions and certify transactions are valid; and retain documentation for two years, including the receipts and monthly reconciliation reports, USPS Voyager Account Dispute Forms, and other documentation that supports disputes, for all potentially fraudulent transactions.

Finding #2: Management of Voyager PINs

Unit management at the Paschall Station did not properly manage Voyager card PINs. Specifically:

- The acting station manager's PIN was shared and used for 113 transactions valued at $4,190. We found fuel purchases made by this PIN multiple times a day, a few minutes apart. In addition, three former unit managers that had transferred to other units, still had active PINs at this unit. We identified 424 transactions on the Voyager Driver Report, valued at about $18,370 related to these three PINs (see Table 3).

Table 3. Transactions Made with Manager PINs

Position	Number of Transactions	Dollar Amount
Acting station manager	113	$4,190
Subtotal Current Manager	**113**	**$4,190**
Former unit manager 1	180	$9,863
Former unit manager 2	169	5,928
Former unit manager 3	75	2,578
Subtotal Former Managers	**424**	**$18,370**
Total	**537**	**$22,559**

Source: OIG analysis and onsite observations.

- Sixty former employees who transferred, retired, or were terminated were still listed on the unit's Voyager Driver PIN List report. The PINs of nine of these former employees were used to charge 63 transactions, valued at $2,861, to this unit's finance number.

- Unit management did not keep the Voyager Driver PIN List report updated.

- Unit management did not conduct semiannual driver certifications to ensure the accuracy and completeness of employee PIN information.

Postal Service policy[17] states that site managers are responsible for keeping their driver PIN list up to date, verifying the information is accurate and complete, and conducting semiannual driver certifications. In addition, when an employee leaves the Postal Service or is transferred to a different unit, their PIN must be terminated. Further, the site manager must assign new employees a PIN from the list and notify Voyager Fleet Services of the driver's name.

These issues occurred because the acting station manager did not know who was responsible for managing PINs. The acting manager stated that she had not assigned PINS to carriers since the former station manager left about a month ago. The acting manager had not yet requested access to FAMS to manage PINs since she was not aware of the requirement to update and deactivate Voyager card PINs for employees no longer assigned to the unit and had not received training.

Based on our review of unit management's training records, we determined that neither the acting station manager nor the customer service supervisor completed the required *eFleet Card for Site Manager Training and Voyager Fleet Commander Online (FCO) Training*.

When Voyager card PINs are not managed properly, they could be used to make unauthorized and improper purchases. Further, when employees share PINs or management does not terminate PINs, it could lead to possible fraudulent purchases. We consider the 600 transactions valued at $25,421 as

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17 *Voyager Fleet Card Standard Operating Procedure (SOP),* Section 2.2.2, PIN Management, November 2016.

disbursements at risk.[18] We referred the PIN sharing matter to the OIG's Office of Investigations.

> ## Recommendation #3
> We recommend the **Manager, District DE-PA2**, instruct management at the Paschall Station to update the Personal Identification Numbers (PIN) list; prioritize and assign all employees unique PINs and deactivate the PINs for employees that are retired, terminated, or transferred; and conduct semiannual formal PIN reviews.

Finding #3: Management of Voyager Cards

Unit management did not effectively manage Voyager cards at Paschall Station. Specifically:

- Sixty-eight of 95 cards assigned to the unit (71 percent) were missing. As a result, employees shared Voyager cards.

Postal Service policy[19] states that site managers are responsible for securing all Voyager cards. Furthermore, policy[20] requires drivers to immediately notify the site manager if a card is lost or stolen and the manager to then immediately notify Voyager and U.S. Bank. Upon receipt of the USPS Voyager Card Account Maintenance Request Form, Voyager will cancel the existing card and re-issue a replacement.

These conditions occurred because unit management was not aware of Voyager card policy and, as stated previously, did not take the required formal training related to Voyager card management.

We consider $408,000[21] as disbursements at risk for the 68 missing Voyager cards. We referred the missing Voyager cards to the OIG's Office of Investigations.

> ## Recommendation #4
> We recommend the **Manager, District DE-PA2**, instruct unit management at the Paschall Station to implement safeguards and controls to properly secure and manage Voyager cards, and notify U.S. Bank of the missing cards.

Finding #4: Vehicle Expenses

Unit management at the Paschall Station did not appropriately process, pay, or record vehicle expenses. We reviewed 68 transactions totaling $3,898, charged to AIC 594. These transactions were for reimbursements to drivers for recurring fuel expenses, not for emergency purposes, as required. Further, unit management reimbursed drivers with cash from the retail window for fuel they purchased with their own funds.

Postal Service policy[22] states that the Voyager card is the intended payment method for recurring services such as maintenance, repair, fuel, towing, shuttling, servicing, cleaning, washing, and polishing. In addition, the Voyager card is the primary means to pay for all commercial fuel and oil. Unit management is responsible for retaining records and securing the cards.

Postal Service policy[23] also states that vehicle supplies expenses are recorded to AIC 594 for emergency purchases of fuel, oil, and minor service of postal vehicles and washing vehicles at coin-operated car washes associated with vehicle maintenance facilities.

This occurred because unit management did not have an adequate number of Voyager cards and did not follow standard operating procedures for replacing lost cards. In addition, unit management did not immediately report lost or stolen Voyager cards to U.S. Bank[24] and the OIG as required so they used alternate procedures to pay for recurring vehicle expenses. In March 2021, the area field financial specialist instructed the former unit manager to cease all over

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18 Disbursements made where proper Postal Service internal controls and processes were not followed.
19 *Standard Work Instruction U.S. Bank Voyager Fleet Card – At A Glance for Site Managers,* revised February 2019.
20 *Voyager Fleet Card SOP,* Section 5.2, Lost/Stolen Cards.
21 Calculated on the maximum monthly limit of the active Voyager cards projected for our six-month scope period ($1,000 monthly limit X 68 cards X 6 months = $408,000).
22 *Voyager Frequently Asked Questions,* updated March 2011.
23 Handbook PO-701, *Account Identifier Codes,* Section 463.21, Vehicle Supplies Expense.
24 U.S. Bank operates the program. Once notified, U.S. Bank would cancel the lost or stolen card and reissue a replacement.

the counter payments for fuel to carriers and stated that the unit should have fuel cards for each vehicle and all carriers should have assigned PINs. The unit supervisor stated that the process was stopped in June 2021. The OIG did not identify any additional activity in AIC 594 after this period in FY 2021.

Reimbursing vehicle fuel transactions with cash or money orders rather than using the Voyager Card to purchase fuel increases the risk of improper payments. Additionally, the Postal Service may not be able to recover state taxes or generate additional rebates based on total fuel sales.

Because reimbursement of vehicle fuel transactions with cash or money order has ceased, we will not make any recommendation on this issue at this time but will continue to monitor as part of our ongoing audit work.

Management's Comments

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

Regarding recommendation 1, management at the Paschall Station will be required to complete eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training by December 31, 2021.

Regarding recommendation 2, the Philadelphia postmaster will issue a memorandum to all employees tasked with Voyager card reconciliations that outlines expectations regarding all voyager card transactions and corresponding document retention. Management will also conduct a subsequent review to ensure procedures are being followed. The target implementation date is January 31, 2022.

Regarding recommendation 3, local management will update PINs and assign new PINs where necessary, conduct semiannual formal PIN reviews, and deactivate PINs in accordance with guidelines. The target implementation date is January 31, 2022.

Regarding recommendation 4, the district manager will issue instructions to local management to implement proper controls to ensure accountability of Voyager cards, similar to what is prescribed in the Arrow Key Initiative. Specifically, the unit will integrate the pouch and lock box method to ensure that all cards are returned and accounted for daily, in addition to notifying U.S. Bank of any missing cards. The Manager, Customer Service, will perform a subsequent review to ensure proper accountability procedures are being followed. The target implementation date is January 31, 2022.

See Appendix A for management's comments in their entirety.

Evaluation of Management's Comments

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

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action is completed. Recommendations 1, 2, 3, and 4 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendix A: Management's Comments

UNITED STATES
POSTAL SERVICE

December 7, 2021

MICHELLE LINDQUIST
DIRECTOR, FINANCIAL CONTROLS

SUBJECT: Management Response: Voyager Card Transactions – Philadelphia, PA
Paschall Station (Project Number 21-230-DRAFT)

Addendum:

Thank you for providing the Postal Service with an opportunity to review and comment on the findings contained in the draft audit report, _Voyager Card Transactions – Philadelphia, PA. Paschall Station._

We agree with the conclusions of the Draft Report that the Paschall Station has opportunity to improve the oversite of Voyager card transactions, cards, Personal Identification Numbers (PIN) and expenses.

Management responds to the recommendations contained in the Draft Report as follows:

Recommendation #1:
We recommend the Manager, District DE-PA2, instruct management at the Paschall Station responsible for managing Voyager card Personal Identification Numbers to complete eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training.

Management Response/Action Plan:
Management agrees with the monetary finding in the recommendation. All management at the Paschall Station will be required to complete the eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training.

Target Implementation Date: December 31, 2021

Responsible Official:
Manager (A) Paschall Station
Manager Customer Service Operations- Area South

Recommendation #2:
We recommend the Manager, District DE-PA2, reiterate to unit management at the Paschall Station the requirement to research the reason for exceptions and certify transactions are valid; and retain documentation for two years, including the receipts and

monthly reconciliation reports, USPS Voyager Account Dispute Forms, and other documentation that supports disputes, for all potentially fraudulent transactions.

Management Response/Action Plan:
Management agrees with this recommendation. The Philadelphia Postmaster will issue a memorandum to all employees tasked with these responsibilities. The memo will outline expectations regarding all voyager card transactions and the corresponding document retention. Management will also conduct a subsequent review to ensure procedures are being followed.

Target Implementation Date: January 31. 2022

Responsible Official:
Manager Customer Service Operations- Area South
Postmaster, Philadelphia

Recommendation #3:
We recommend the Manager, District DE-PA2, instruct management at the Paschall Station to update the Personal Identification Numbers (PIN) list; prioritize and assign all employees unique PINs and deactivate the PINs for employees that are retired, terminated, or transferred; conduct semiannual formal PIN reviews.

Management Response/Action Plan:
Management agrees with this recommendation. Local Management will update the Personal Identification Numbers (PIN), assign new PINs where necessary, conduct semiannual formal PIN reviews and deactivate PINs as per the guidelines identified in the eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training.

Target Implementation Date: January 31, 2022

Responsible Official:
Manager (A) Paschall Station
Manager Customer Service Operations- Area South

Recommendation #4:
We recommend the Manager, District DE-PA2, instruct unit management at the Paschall Station to implement safeguards and controls to properly secure and manage Voyager cards, and notify U.S. Bank of the missing cards.
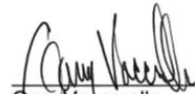
Management Response/Action Plan:
Management agrees with this recommendation. District Manager will issue instructions to Local Management to implement proper controls to ensure accountability of Voyager cards, similar to what is prescribed in the Arrow Key Initiative. Specifically, the unit will

integrate the pouch and lock box method to ensure that all cards are returned and accounted for daily, in addition to notifying U.S. Bank of any missing cards. Manager Customer Service will perform subsequent reviews to ensure proper accountability procedures are being followed.

Target Implementation Date: January 31, 2022

Responsible Official:
Manager (A) Paschall Station
Manager Customer Service Operations- Area South

Gary Vaccarella
District Manager
Delaware-Pennsylvania 2

cc:

Leroy Middleton
Manager, Corporate audit Response Management

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