



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

**Voyager
Fleet Card
Controls —
Southern Area**

Audit Report

Report Number
DR-AR-16-009

September 19, 2016





OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

Every postal-owned vehicle is assigned a Voyager fleet card to pay for its commercially purchased fuel and oil and routine maintenance.

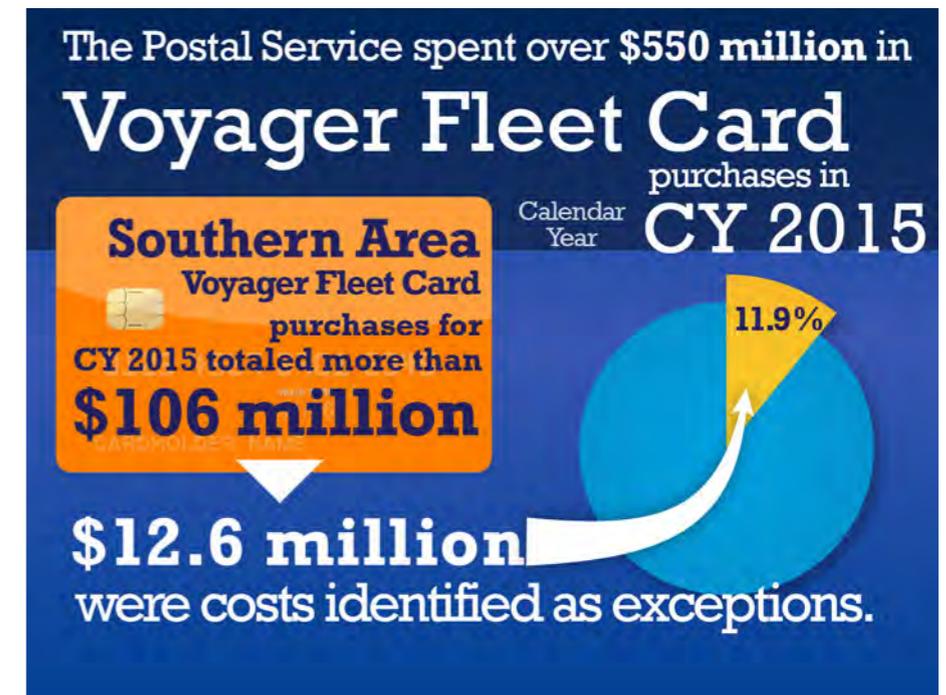
Background

The U.S. Postal Service operates one of the largest vehicle fleets in the U.S., with over 214,000 vehicles, primarily used to deliver and collect mail. Every postal-owned vehicle is assigned a Voyager fleet card to pay for its commercially purchased fuel and oil and routine maintenance. Each vehicle operator receives a randomly selected Personal Identification Number (PIN) to authorize Voyager fleet card purchases. The PIN is a confidential number that is unique to each employee and electronically linked to each card purchase.

The eFleet application in the Fuel Asset Management System (FAMS) tracks fuel and maintenance purchases for vehicles used by Postal Service personnel through the Voyager fleet card.

At each facility with assigned vehicles, a site manager monitors Voyager fleet card purchases in the FAMS. Specific card controls such as frequency limits and daily cost limits were designed to limit improper card use and flag some high-risk transactions as exceptions. These high-risk transactions require review and written justification for the transaction during a monthly reconciliation process. Site managers should perform the monthly reconciliation to ensure accurate reporting of purchases and detect fraud. This can only be accomplished if the reconciliation is completed once a month.

In calendar year (CY) 2015, the Postal Service spent over \$550 million in Voyager fleet card purchases. Southern Area Voyager fleet card purchases for CY 2015 totaled more than \$106 million, with \$12.6 million of these costs (11.9 percent) identified as exceptions. The Southern Area has over 38,000 vehicles.



Our objective was to assess the effectiveness of controls over Voyager fleet cards used in delivery operations in the Southern Area.



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Controls over Voyager fleet cards in the Southern Area were not always effective.

What The OIG Found

Controls over Voyager fleet cards in the Southern Area were not always effective. Site managers did not always properly perform Voyager fleet card reconciliations and 140 of 207 high-risk exception transactions (68 percent) we reviewed were not supported. In addition, 18 of 34 delivery units had no accountability or security controls for 320 Voyager fleet cards and site managers at the 34 selected delivery units did not properly manage employee PIN lists. Management also did not distribute Voyager fleet card policies and procedures or secure these credit cards. We made referrals to our Office of Investigations, as appropriate.

These conditions occurred because of inadequate management oversight of the reconciliation process and insufficient training of delivery unit employees.

Improving Voyager fleet card reconciliations, training, and oversight will reduce the potential for erroneous transactions and unauthorized card use. We estimate the Southern Area incurred over \$8.5 million in questioned costs for unsupported Voyager fleet card transactions in CY 2015.

What The OIG Recommended

We recommended management direct district managers to assign site managers to reconcile high-risk exception transactions and provide training on the reconciliation process. We also recommended management distribute updated *Voyager Fleet Card Standard Operating Procedures* to all site managers, issue an area management directive to safeguard Voyager fleet cards and employee PIN lists, and provide training as appropriate.

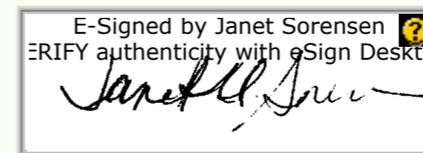
Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 19, 2016

MEMORANDUM FOR: SHAUN MOSSMAN
VICE PRESIDENT, SOUTHERN AREA



FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery & Marketing

SUBJECT: Audit Report – Voyager Fleet Card Controls – Southern Area
(Report Number DR-AR-16-009)

This report presents the results of our audit of Voyager Fleet Card Controls in the Southern Area (Project Number 16XG021DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita Oliver, director, Delivery, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management
Vice President, Delivery Operations

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Findings

Every U.S. Postal Service-owned vehicle is assigned a Voyager fleet card to pay for its commercially purchased fuel, oil, and routine maintenance.

Introduction

This report presents the results of our self-initiated audit of Voyager fleet card controls in the Southern Area (Project Number 16XG021DR000). Our objective was to assess the effectiveness of controls over Voyager fleet cards used in delivery operations in the Southern Area. See [Appendix A](#) for additional information about this audit.

Every U.S. Postal Service-owned vehicle is assigned a Voyager fleet card to pay for its commercially purchased fuel, oil, and routine maintenance. Each vehicle operator receives a randomly selected Personal Identification Number (PIN) to authorize Voyager fleet card purchases. The PIN is a confidential number that is unique to each employee and electronically linked to each card purchase. The eFleet¹ application within FAMS tracks fuel and maintenance purchases for vehicles used by Postal Service personnel through the Voyager fleet card.

At each facility with assigned vehicles, a site manager monitors Voyager fleet card purchases in the FAMS. Specific card control limits are designed to flag some high-risk transactions as exceptions that must be reconciled monthly to ensure accurate reporting of purchases and detect fraud. In 2015, the Postal Service spent over \$550 million in Voyager fleet card purchases, with \$12.6 million of these costs identified as exceptions. The Southern Area Voyager fleet card purchases in 2015 totaled more than \$106 million, with \$12.6 million of these costs (11.9 percent) identified as exceptions. The Southern Area has over 38,000 vehicles.

Summary

Controls over Voyager fleet cards in the Southern Area were not always effective. Site managers did not properly perform Voyager fleet card reconciliations² and 140 of 207 high-risk exception transactions (68 percent) were unsupported. In addition, 18 of 34 delivery units had no accountability or security controls in place for 320 Voyager fleet cards. In addition, site managers at the 34 selected delivery units did not properly use the Voyager Fleet Commander Online (FCO) website to update and secure employee PIN lists. Management also did not distribute Voyager fleet card policy and procedures or secure these cards. We made referrals to our Office of Investigations regarding lack of controls over Voyager fleet cards, as appropriate.



¹ Web-based application in the Fuel Asset Management System (FAMS).

² This includes all cards assigned to facility which shows all high-risk exception transactions on the report requiring a reconciliation.

These conditions occurred because site managers at the delivery units had inadequate management oversight of the reconciliation process and insufficient training. Improving Voyager fleet card reconciliations, oversight, and training will reduce the potential for erroneous transactions and unauthorized card use. We estimate the Postal Service incurred over \$8.5 million in questioned costs for unsupported Voyager fleet card transactions in calendar year (CY) 2015.

Voyager Fleet Card Exception Reconciliations

Site managers at the 34 selected delivery units did not properly perform Voyager fleet card reconciliations for 140 of 207 (68 percent) randomly selected high-risk transactions. Specifically, we noted that 112 of the 140 high-risk transactions did not have supporting documentation and the remaining 28 of the 140 high-risk transactions had receipts but did not have proper justification comments which includes fuel, non-fuel/oil or maintenance items purchases, and duplicate transactions

Some site managers certified reconciliations on the *Reconciliation Exception Report* without verification of transactions, adequate supporting documentation, or proper justification. The *Reconciliation Exception Report* was created to capture only high-risk transactions and users are required to reconcile high-risk exceptions each month.³ This resulted in over \$8.5 million in questioned costs (see Table 1).

Table 1. OIG Analysis of Voyager Fleet Card Exception Reconciliation

	CY 2015 Southern Area Total Exception Amount	Number of Improper Reconciliation Exceptions	Percentage of Improper Reconciliation Exceptions	Questioned Costs
Exceptions Without Supporting Documentation	\$12,576,335	112	54%	\$6,791,220
Exceptions Without Proper Justification		28	14%	1,760,686
Total	\$12,576,335	140	68%	\$8,551,906

Source: OIG analysis of Voyager fleet card data from the FAMS.

Unsupported Transactions

Our analysis found that the 112 high-risk transactions had no supporting documentation for these improper reconciliation exceptions (see [Table 2](#)). For the 34 sites we visited, personnel could not locate receipts and we found unorganized and inefficient file maintenance procedures, thereby making it difficult to locate and retrieve supporting documentation.

³ *Voyager Fleet Card Standard Operating Procedures*, Section 4, Account Responsibilities, July 17, 2015.

Table 2. OIG Analysis of Unsupported High-Risk Transactions

Districts	Number of Unsupported Transactions	Unsupported Amount
Alabama	1	\$22
Arkansas	1	21
Dallas	14	466
Fort Worth	6	103
Gulf Atlantic	9	202
Houston	54	1,557
Louisiana	6	195
Mississippi	4	39
Oklahoma	1	18
Rio Grande	4	112
South Florida	3	112
Suncoast	9	111
Totals	112⁴	\$2,958

Source: OIG analysis of the FAMS data.

We observed differences in filing procedures, with some units storing receipts in envelopes and others using cardboard boxes, mail trays, or tubs (see Figure 1). Receipts documenting Voyager fleet card transactions must be retained for 2 years.⁵

Exception Justifications

Our review found that 60 of the 207 (29 percent) sample transactions on the *Reconciliation Exception Report* had a justification or comment entered into FAMS that did not properly address the exception. Our analysis showed that 28 of the 60 exception transactions with a conflicting comment were supported with a receipt maintained by the site manager (see [Table 3](#)). The remaining 32 transactions were already included in the 112 transactions shown on [Table 1](#) and [Table 2](#) in this report.

Figure 1. Poor Receipt Collection Management



Source: OIG photograph taken June 23, 2016.

⁴ The number of unsupported transaction exceptions was used to calculate questioned cost as shown in [Table 1](#).

⁵ *Voyager Fleet Card Standard Operating Procedures*, Section 4, Account Responsibilities, July 17, 2015.

Table 3. Improper Justifications

Districts	Exception Transactions Without Proper Justification	Exception Transactions Without Proper Justification Amount	Exception Transactions Without Proper Justification with Receipt	Exception Transactions Without Proper Justification with Receipt Amount
Alabama	3	\$56	3	\$56
Arkansas	1	25	1	25
Dallas	3	78	0	0
Fort Worth	4	67	1	11
Gulf Atlantic	6	123	4	86
Houston	24	795	4	65
Louisiana	3	54	2	36
Mississippi	1	9	0	0
Oklahoma	4	76	4	76
Rio Grande	6	125	6	125
South Florida	3	145	3	145
Suncoast	2	11	0	0
Total	60	\$1,564	28	\$624

Source: OIG analysis of the FAMS data.

Specifically, we identified the following improper justification/comments entered into FAMS for exception transactions:

- An exception for making “too many fuel purchases in a month” had a justification stating that the vehicle has “an oversized fuel tank.” The proper justification should have been “multiple tour usage vehicle” (thereby requiring more frequent fuel purchases).
- An exception for “Non-fuel/oil or maintenance item purchased” had a justification indicating that a vehicle has a “Multiple Tour Usage Vehicle.” The proper justification should have been “corrective action taken or dispute form has been sent to Voyager.”

See [Appendix B](#) for additional information on the reconciliation process and [Appendix C](#) for additional information on the FAMS.

These conditions occurred because of a lack of site manager oversight of the Voyager fleet card reconciliation process that focuses on the completion of reconciliations rather than the accuracy and review of high-risk reconciliations. In addition, management personnel assigned to the site manager role were moved to other units or retired without training their replacement. With high management turnover at the stations, several acting or current supervisors were not able to locate receipts and did not have access to the FAMS to complete the monthly reconciliation.

Also, site managers were unaware that they were required to complete Voyager certification training and management did not ensure they were properly trained to certify at-risk transactions. Site managers received on-the-job training on the FAMS reconciliation process and procedures; however, they did not complete Site Manager/Reconciler/Postal Learning Management

Improving Voyager fleet card reconciliations, training, and oversight will reduce the potential for improper payments.

System (LMS) Training.⁶ Postal Service policy⁷ requires any individual responsible for reconciling Voyager fleet card activities to take and complete the Voyager fleet card reconciliation training course and final examination.

Improving Voyager fleet card reconciliations, training, and oversight will reduce the potential for improper payments. We estimate the Postal Service incurred \$8.5 million in questioned cost for unsupported Voyager fleet card transactions.

Voyager Fleet Card Physical Controls and Accountability

The Southern Area did not have adequate controls for securing Voyager fleet cards and maintaining PIN lists at 18 of the 34 delivery units selected for review in the Gulf Atlantic, Houston, and Rio Grande Districts. Securing Voyager cards and PIN lists will reduce the potential for erroneous transactions and unauthorized card use. We estimate the Postal Service had \$4.9 million in assets at risk for 320 unaccounted Voyager fleet cards.

These conditions occurred because management did not distribute *Voyager Fleet Card Standard Operating Procedures* (SOP), dated July 17, 2015, to site managers; therefore, they were not aware of the security controls required to manage employee Voyager fleet card security and PIN lists effectively. Site managers are responsible for establishing and implementing appropriate security procedures for their sites.

Voyager Card Security

During observations at the delivery units, we were unable to locate 320 fuel cards. In some instances, supervisors had Voyager fleet cards in their purses, cards were in carriers' workstation drawers, and off-duty personnel and carriers took Voyager fleet cards home overnight. According to Postal Service policy, Voyager cards should never be carried by off-duty personnel, left in unattended vehicles, or in other locations with unrestricted access. Site managers are required to contact Voyager/U.S. Bank and the Inspection Service Credit Card Coordinator when cards are unaccounted for or lost.⁸

Specifically:

- During our observations in the Gulf Atlantic District, we verified active Voyager fleet cards at six delivery units. At two delivery units,⁹ we observed the Voyager fleet cards were stored in unsecured wall cabinets during the day (see Figure 2 for an example).
- Our observations at four Gulf Atlantic District delivery units found security was not in place to ensure accurate reporting of purchases and detect fraud. We determined that some of the delivery units did not have security processes in place and verified active Voyager fleet cards at six of 11 visited delivery units. As a result, there were 74 credit cards valued at about \$1.2 million at risk (see Table 4).

Figure 2. Uncontrolled Card Access



Source: OIG photo Voyager fleet cards unsecured during the workday.

⁶ SM: *eFleet Card: Site Manager* training course explains the history and operations of the Voyager fleet card and provides instruction on how to manage and reconcile purchases made with the card.
⁷ *Voyager Fleet Card Standard Operating Procedures*, July 17, 2015.
⁸ *Voyager Fleet Card Standard Operating Procedures*, Section 4, Account Responsibilities, July 17, 2015.
⁹ Aiken, Summerall Station and Augusta, Peach Orchard Station.

Table 4. Analysis of Gulf Atlantic District Unsecured Voyager Fleet Cards

Site Name	Cards Secured	Missing Cards	Assets at Risk	Number of Cards at Risk	Total Annual Assets at Risk Amount
Macon – South Macon Station	Yes	N/A ¹⁰	N/A	N/A	\$0
Macon – Zebulon Branch	Yes	Yes	Yes	7	204,000
Warner Robins Post Office	Yes	N/A	N/A	N/A	0
Augusta – Peach Orchard Station	No	Yes	Yes	3	36,000
Aiken – Summerall Station	No	Yes	Yes	2	24,000
Jacksonville – Baldwin Station	No	No	Yes	3	36,000
Jacksonville – Baymeadows Delivery Distribution Center	No	Yes	Yes	24	456,000
Jacksonville Vehicle Maintenance Facility	Yes	N/A	N/A	N/A	0
Saint Augustine Post Office	Yes	Yes	Yes	15	180,000
Saint Augustine – Carrier Annex	Yes	N/A	N/A	N/A	0
Gainesville – Main Street Station	Yes	Yes	Yes	20	240,000
Totals				74	\$1,176,000

Source: OIG analysis data obtained from U.S. Bank Voyager Fleet Credit Card Active List.

- Our observations at three Houston District delivery units found security was not in place to ensure accurate reporting of purchases and detect fraud. In addition, at two delivery units we verified active Voyager fleet cards.¹¹ We determined that some of the delivery units did not have security processes in place. As a result, there were 67 credit cards valued at about \$1.5 million at risk (see [Table 5](#)).

¹⁰ We did not verify the active fuel credit cards at sites we visited after the carriers had taken the cards out for the day.

¹¹ We did not complete Voyager fleet cards checks at the remaining eight delivery units because Voyager fleet card data and credit card data were not available during our visits.

Table 5. Analysis of Houston District Unsecured Voyager Fleet Cards

Site Name	Cards Secured	Missing Cards	Assets at Risk	Number of Cards at Risk	Total Annual Assets at Risk Amount
Houston – Memorial Park Station	Yes	N/A ¹²	N/A	N/A	\$0
Houston – Rich Hill Station	No	N/A	N/A	N/A	0
Bacliff Post Office	Yes	N/A	N/A	N/A	0
Houston – De Moss Station	Yes	N/A	N/A	N/A	0
Houston – Roy Royall Station	Yes	Yes	Yes	30	1,056,000
Baytown Post Office	Yes	N/A	N/A	N/A	0
La Porte Post Office	Yes	N/A	N/A	N/A	0
League City Post Office	No	N/A	N/A	N/A	0
Dickinson Post Office	No	N/A	N/A	N/A	0
Richmond Post Office	Yes	Yes	Yes	37	444,000
Totals				67	\$1,500,000

Source: OIG analysis of data obtained from U.S. Bank Voyager Fleet Credit Card Active List.

- Our observations at four Rio Grande District delivery units found that security was not in place to ensure accurate reporting of purchases and detect fraud. We determined that some of the delivery units did not have security processes in place and verified active Voyager fleet cards at nine of the 13 visited delivery units. As a result, there were 179 credit cards valued at about \$2.3 million at risk (see [Table 6](#)).

¹² We did not verify the active fuel credit cards for eight of 10 sites because U.S. Voyager Bank Active Card Reports were not available at the time of fieldwork.

Table 6. Analysis of Rio Grande District Unsecured Voyager Fleet Cards

Site Name	Cards Secured	Missing Cards	Assets at Risk	Number of Cards at Risk	Total Annual Assets at Risk Amount
San Antonio – Arsenal Station	Yes	Yes	Yes	3	\$36,000
San Antonio – Cedar Elm Station	Yes	Yes	Yes	22	276,000
San Antonio – Frank Tejada Station	Yes	Yes	Yes	33	396,000
San Antonio – Heritage Station	N/A ¹³	N/A	N/A	N/A	0
San Antonio – Valley High Station	Yes	No	No	0	0
Austin – Southeast Austin Station	No	Yes	Yes	71	924,000
Austin – Chimney Corners Station	Yes	Yes	Yes	17	204,000
Austin – Lake Travis Station	No	Yes	Yes	11	156,000
Austin – South Congress Station	N/A	N/A	N/A	N/A	0
Austin – Balcones Station	Yes	Yes	Yes	19	240,000
Temple Post Office	No	N/A	N/A	N/A	0
Georgetown Post Office	Yes	Yes	Yes	3	36,000
San Marcos Post Office	No	N/A	N/A	N/A	0
Totals				179	\$2,268,000

Source: OIG analysis data obtained from U.S. Bank Voyager Fleet Credit Card Active List.

Personal Identification Numbers

Site managers did not use the FCO website to update and secure employee PIN lists at the 34 delivery units we visited. Based on our observations of processes at the delivery units, site managers maintained hard copy PIN lists in unsecured desk drawers on the workroom floor, in binders in the manager’s office, or on office computers or flash drives. In other instances we observed, new carriers, who had not yet been assigned a PIN, used the manager’s or supervisor’s PIN to purchase fuel (see Figure 3).

According to Postal Service policy,¹⁴ each vehicle operator receives a randomly selected PIN to authorize Voyager fleet card purchases. The PIN is a confidential number unique to each employee and electronically linked to each card purchase.

Figure 3. Unsecured PIN list



Source: OIG photo taken on April 19, 2016. Driver PIN list unsecured on supervisor’s desk on the workroom floor.

¹³ We did not verify the active fuel credit cards at sites we visited after the carriers had taken the cards out with them for the day.

¹⁴ *Voyager Fleet Card Standard Operating Procedures, July 17, 2015, Section 2 Fleet Card Use, Controls, and Merchant Acceptance.*

Other Matters

During our observation at one of the delivery units, the accountable cage¹⁵ was removed. The unit has been without a cage for at least one year, leaving no physical security procedures in place. Another visited delivery unit did not have an accountable cage due to limited space.

We also found delivery units throughout the Southern Area that had transactions and vehicles that were displayed under the incorrect location and finance number in the FAMS eFleet system. Specifically, some of our sampled transactions listed the delivery unit's finance number; however, the station name did not match the finance number listed in the FAMS. As a result, site managers were unaware of vehicles assigned to their station and its associated Voyager fleet cards, which incurred charges under another station's finance number.

Additionally, we determined the Vehicle Maintenance Facility (VMF) transferred vehicles to other units, but failed to transfer the vehicle information to the new locations and did not add the finance number in the Solution for Enterprise Asset Management (SEAM) system. This step is critical, as it will maintain the relationship between the vehicle and its finance number and ensure that vehicle charges are displayed under the correct location in the FAMS eFleet system.

The Vehicle Transfer Form is required to keep track of postal vehicles and the credit cards assigned to the vehicle (see Figure 4).

Figure 4. USPS Voyager Transfer Request Form

USPS VOYAGER TRANSFER REQUEST FORM

AREA OFFICE: SOUTHEAST E-MAILED 05/19/2016

DISTRICT: NORTH FLORIDA VMF REQUESTOR _____

VMF NAME: JACKSONVILLE VMF VMF PHONE CONTACT _____

RECEIVING SITE NAME: JACKSONVILLE VMF

RECEIVING SITE ADDRESS: 1100 KINGS ROAD

JACKSONVILLE FLORIDA 32203-9721

City State Zip +4

RECEIVING SITE CONTACT: _____

RECEIVING SITE PHONE: _____

RECEIVING SITE FAX: _____

SENDING SITE FINANCE #:	SENDING SITE STATION ID:	VEHICLE #:	CARD #:	RECEIVING SITE FINANCE #:	RECEIVING SITE STATION ID#:	DID VEHICLE TRANSFER TO ANOTHER VMF'S LOCATION CODE?
114420	016	3211698	[REDACTED]	001	114383	YES () NO (x)
114383	001	6421403	[REDACTED]	016	114420	YES () NO (x)

Was fuel card sent with vehicle to new site? Yes (x) No ()
If no, is a new card needed? Yes () No ()
If a new card is needed, the VMF manager must cancel the original card. This form must be submitted by the VMF.

PREFERRED METHOD IS TO FILL OUT THIS FORM IN ITS WORD.DOC AND EMAIL THIS ATTACHMENT TO: voyagerusps@usbank.com
 VOYAGER CAN NOT ACCEPTED SCANNED DOCUMENTS. YOU CAN FAX COMPLETED FORM TO: 1-866-400-5770

Source: Jacksonville VMF.

¹⁵ A secure, enclosed area in a Post Office or postal facility, separated from the rest of the workroom, where Registered Mail, keys, and other accountable mail is stored.

Recommendations

We recommend management direct district managers to assign site managers to reconcile high risk exception transactions, distribute updated user guides and issue a directive instructing delivery units to secure Voyager fleet cards and personal identification numbers.

We recommend the vice president, Southern Area, direct district managers to:

1. Assign site managers to reconcile high-risk exception transactions to include that all vehicles are assigned the correct finance number and provide training on the reconciliation process.
2. Distribute updated user guides for *Voyager Fleet Card Standard Operating Procedures* and the Fuel Asset Management System to delivery site managers.
3. Issue an area management directive instructing delivery units to secure Voyager fleet cards and personal identification numbers, and provide training as appropriate.

Management's Comments

Management agreed with the findings and recommendations and agreed that local management needs to address performance of reconciliations, appropriate training, and the security of the Voyager cards and employee PINs. However, management disagreed with the total monetary impact.

In regard to the monetary impact, management stated they disagree that the inability to locate a fuel receipt during the audit constitutes a questioned cost. Management stated that while recordkeeping improvement opportunities exists, it does not indicate that the questioned cost cited in the report were at risk. However, management agreed that fleet card exception transactions must be documented with adequate comments and justifications.

In regard to the \$4.9 million in assets at risk, management stated that security must be provided for the Voyager Fleet card and employee PINs, but disagreed with the calculations the OIG used to determine the other impact cited in the report. Management stated that the risk for this amount would be questioned as the transactions would require a Postal Service-issued PIN and the charges would be validated monthly or disputed by the site manager in the FAMS.

In response to recommendation 1, management agreed that all Voyager purchases should be reconciled, especially those designated as high-risk. In addition, all vehicles should be assigned to the correct finance number and training provided to those reconciling Voyager charges for the units. Management stated they will require district certifications of completed training. The target implementation date is October 9, 2016.

In response to recommendation 2, management agreed that all Voyager site managers must have access to relevant policies and procedures for the Voyager card and card reconciliation. Management stated they will require certifications from each district that it has distributed user guides for *Voyager Fleet Card Standard Operating Procedures* and the FAMS to delivery site managers. The target implementation date is October 9, 2016.

In response to recommendation 3, management agreed that security must be provided for Voyager fleet cards and PINs. In addition, management agreed that training must be provided as appropriate. Management stated they will issue an area management directive instructing delivery units to secure Voyager fleet cards and PINs and provide training. The target implementation date is October 9, 2016.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations and corrective actions taken or planned should resolve the issues identified in the report. In regard to management's statement that the inability to locate a fuel receipt during the audit does not constitute a questioned cost, Postal Service policy states — and the OIG agrees — that lack of evidence to support the purchase does in fact result in a questioned cost. The transactions in question were initially flagged in the FAMS as high-risk transactions to be reconciled by the appropriate Postal Service official. Site managers are required to certify in the FAMS that they have received and reviewed receipts and will retain them for inspection for 2 years.

Further, if site managers do not complete the monthly verification/certification process through matching and retaining receipts or other appropriate documentation supporting the purchases, consequences may result and the reconciliation process is not complete. At many facilities visited, we were unable to locate physical evidence of monthly completed reconciliations. Specifically, site managers could not locate fuel receipts or the printed copy of the reconciliation reports. As a result, the OIG reported the cost of these high-risk transactions as unsupported.

In regard to management's statement about assets at risk, we calculated the assets at risk by taking the cycle limit amount listed on the US Bank report for each card and multiplied it by 12 months. We considered any card to be at risk if it was listed under the wrong finance number because the station would not be able to view the transactions under that station's finance number to reconcile transactions. In addition, we included missing cards, additional cards not listed on the US Bank report, and unsecured cards. The potential risk associated with unsecured cards is based upon the total limit associated with each card deemed to be unsecured and not upon the actual amounts spent on these cards.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. These recommendations 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.

Appendices

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Appendix A: Additional Information

Background

The Postal Service operates one of the largest vehicle fleets in the U.S. At the end of fiscal year 2015, there were over 214,000 vehicles used primarily to deliver and collect mail. Facilities purchase fuel and maintenance services for these vehicles using Voyager fleet cards. This fleet is essential in last-mile delivery for a majority of its residential and business customers. At delivery units across the country, carriers who drive these vehicles on their delivery routes are responsible for ensuring they have adequate fuel.

Since 2000, the Postal Service has been part of the government commercial Voyager fleet card program under the General Services Administration's SmartPay® Program. All Voyager fleet card transactions under this program are transmitted to the eFleet Card System (eFCS),¹⁶ which authorize Postal Service personnel to reconcile expenses charged to Voyager fleet cards.

Every postal-owned vehicle is assigned a Voyager fleet card to pay for its commercially purchased fuel and oil and routine maintenance. VMF managers are responsible for ordering cards for newly acquired vehicles and maintaining the vehicle-to-finance number relationship using SEAM. Every postal-owned vehicle has been issued one card, which is embossed with a 7-digit vehicle number in the card's lower left corner. Each card must only be used for the vehicle whose number is embossed on the front and not for any other vehicle.

In 2015, the Postal Service spent over \$550 million in Voyager fleet card purchases. Voyager fleet card purchases for CY 2015 in the Southern Area totaled more than \$101 million, with \$12.6 million of this (11.9 percent) identified as exceptions for over 38,000 vehicles assigned.

A site manager at each facility with assigned vehicles monitors Voyager fleet card purchases in the FAMS in the e-Fleet Card System¹⁷. Specific card control limits flag some high-risk transactions as exceptions¹⁸ that must be reconciled monthly. Some exception categories defined in the *FAMS Reconciliation User Guide* (March 2013) are:

- Too many fuel purchases in a single month.
- Fuel purchases that exceed the allowed maximum amount.
- Non-fuel, non-oil or non-maintenance items purchased.

Each vehicle operator receives a randomly selected 4-, 5-, or 6-digit PIN to authorize Voyager fleet card purchases. The PIN is a confidential number that is unique to each employee and electronically linked to each card purchase. PINs must be used with each card transaction to identify the individual authorizing that particular purchase and to complete the transaction. Each employee should only know and use their assigned PIN. Site managers are responsible for maintaining the overall security and maintenance of their PIN list using the FCO application.

¹⁶ This is a Web-based application within the Fuel Asset Management System.

¹⁷ Web-based application in the Fuel Asset Management System.

¹⁸ Those with the greatest probability of being generated by fraud or abuse.

Objective, Scope, and Methodology

Our objective was to assess the effectiveness of controls over Voyager fleet cards used in delivery operations in the Southern Area.

To meet our objective, we:

- Obtained and analyzed Postal Service computerized data on Voyager fleet cards used at the Area, district, and facility levels. Our analysis includes data from the FAMS and the eFCS.
- Reviewed laws, regulations, and guidance related to the government commercial fleet card program under the General Services Administration's SmartPay® Program and Voyager Fleet Systems Inc.
- Analyzed data to select districts and delivery units to conduct site visits and selected a proportional sample of Voyager fleet card exception transactions in the Southern Area to review in 12 districts.
- Selected a proportional sample of 207 of the 315,517 CY 2015 Voyager fleet card exception transactions in the Southern Area. Based on the 34 selected delivery units of the 84 sampled, the team visited locations in the Southern Area and in the districts, which included Gulf Atlantic, Houston, and Rio Grande Districts.
- Analyzed the 207 sampled exception transactions that were improperly reconciled and reviewed proper supporting documentation receipts/invoices and justification comments supporting high-risk exception transactions.
- Reviewed local practices at each delivery unit visited to determine whether managers were properly reconciling questionable transactions according to established Postal Service guidance.
- Performed on-site observations to verify that employees are following Voyager fleet card procedures.
- Calculated the percentage of randomly sampled exception transactions that were improperly reconciled. We applied this percentage to the costs of all Southern Area exception transactions for 2015 to calculate questioned costs.
- Interviewed Postal Service management and staff in the Southern Area and at each location to determine what procedures they used to secure, issue, and monitor Voyager fleet cards assigned to that unit.
- Conducted physical observations to review if assets were properly safeguarded.
- Obtained and analyzed the maximum monthly limit for each card at risk and calculated the risk for a 12-month period.

We conducted this performance audit from March through September 2016, 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 audit 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 August 23, 2016 and included their comments where appropriate.

We assessed the reliability of Voyager fleet card transaction data by comparing our sampled exceptions to the documents maintained at the facilities. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

We found one OIG audit report related to our audit objective.

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Fleet Credit Card Controls in the Capital Metro Area</i>	DR-AR-16-001	10/22/2015	\$3.1

Report Results: Our report determined that controls over Voyager fleet cards in the Capital Metro Area were not effective. Voyager fleet card reconciliations were not always performed and proper justification comments were not always entered for at risk transactions. There were \$3.1 million in questioned costs and \$2.9 million in assets at risk. Management agreed with the findings and recommendations, but disagreed with monetary impact.

Appendix B: Reconciliation Process

Management controls over Voyager fleet card use is crucial in controlling fuel costs and maintaining the integrity of the program (see Figure 5).

Figure 5. Reconciliation Certification

Voyager Certification

- I certify that the vehicle fuel/oil, supplies and services were correct and have been received for the respective vehicles.
- I certify that receipts/invoices/facsimiles have been received, reviewed, and will be retained for inspection for 2 years.
- I certify that a copy of all non fuel/oil receipts/invoices have been supplied to the servicing VMF.

I understand that submission of a false statement, representation, or documentation may result in a fine of not more than \$10,000 per occurrence or imprisonment of not more than 5 years or both.

Source: *FAMS Reconciliation by Exception Process User Guide*.

According to Voyager Fleet Card¹⁹ *SOP*, site managers are responsible for ensuring monthly reconciliations are completed once every month to ensure accurate reporting of purchases and detect fraud. To perform the reconciliation, a “certification of reconciliation” screen appears requiring the site manager to certify that due diligence was exercised in verification of transactions and all supporting documents. Site managers are required to provide proper justification for exceptions by providing comments during the reconciliation process.

¹⁹ *Voyager Fleet Card Standard Operating Procedures*, Section 4. Account Reconciliation, dated July 2015.

Appendix C: Fuel Asset Management System

The FAMS currently requires that all transactions be reconciled to achieve 100 percent reconciliation for a month. The FAMS provides a comment functionality that automatically prompts the reconciler to add a pre-approved comment for 4 of the 14 high-risk exceptions from a drop-down list in Figure 6. If none of the pre-approved comments explains the reason for the high-risk transactions, comments must be typed in the “Other” section. The reconciliation will not be finalized until the explanation note is added. This process was intended to enhance financial internal controls and provide additional information for audit purposes.

Figure 6. Comment Drop-down List

"PLEASE MAKE A SELECTION FROM THE DROP DOWN LIST"

"PLEASE MAKE A SELECTION FROM THE DROP DOWN LIST"

Non fuel/oil or maintenance item purchased.

- 1. Transaction reviewed - Confirmed Valid; Incorrect product code. Corrective action taken.
- 2. Transaction reviewed - Confirmed Invalid; transaction disputed. Dispute form has been sent to Voyager; Copy retained for records.

Gallons of fuel purchased exceeds allowed maximum amount.

- 1. Transaction reviewed - Confirmed Valid; Documentation on file. Correct card used - oversized vehicle tank.
- 2. Transaction reviewed - Confirmed Valid; Documentation on file. Incorrect card used; Corrective action taken.
- 3. Transaction reviewed - Confirmed Invalid; Transaction disputed. Dispute form has been sent to Voyager; Copy retained for records.

Too many fuel purchases within a single month.

- 1. Transaction reviewed - Confirmed Valid; Documentation on file. Multiple Tour Usage Vehicle.
- 2. Transaction reviewed - Confirmed Invalid; Transaction disputed. Dispute form has been sent to Voyager; Copy retained for records and reconcile box checked.

Transaction over \$300 limit on a Vehicle card.

- 1. Transaction reviewed - Confirmed Valid; Documentation sent to local VMF. Emergency Repair/Towing.
- 2. Transaction reviewed - Confirmed Invalid; Used incorrect card. Corrective action taken.

Other...

Source: *FAMS Reconciliation User Guide*, March 3, 2013.

Exceptional transactions (herein known as “high-risk exceptions”) may be an indicator of fraudulent purchases; however, the high-risk exception list is not all-inclusive. For example, when a gas pump shuts off in the middle of completing a fuel purchase, there is no descriptive drop-down justification to support the situation. In addition, the exception justification drop-down does not have the Sunday/Amazon Delivery option (see [Table 7](#)).

Table 7. High-Risk Exception List

Invalid finance number: Using area default
Non fuel/oil or maintenance item purchased
Gallons of fuel purchased exceeds allowed maximum amount
Too many Fuel purchases within a single month
Too many charges within a five day period on a vehicle card
Duplicate transactions
Transaction over \$300 limit on a vehicle card
Vehicle not found in VMAS
Vehicle is in storage
Vehicle is disposed of or cannibalized
Driver 0
Non-fuel item purchased on 'M' card
Transaction has bypassed the normal Voyager edit process
Non-standard Postal fleet card numbering

Source: *FAMS Reconciliation User Guide*, March 3, 2013.

Appendix D: Management's Comments

SHAUN E. MOSSMAN
VICE PRESIDENT, AREA OPERATIONS
SOUTHERN AREA



September 9, 2016

LORI LAU DILLARD
DIRECTOR OF AUDIT OPERATIONS
OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

SUBJECT: Response to OIG Audit Report – Voyager Fleet Card Controls – Southern Area
Report Number DR-AR-16 DRAFT

Southern Area agrees with the recommendations detailed in the OIG Audit of Voyager Fleet Card Controls, as they are a reflection of the current Voyager SOP. We agree that performance of reconciliations, appropriate training, and the security of the Voyager cards and employee personal identification numbers (PIN) needs to be addressed by local management.

Southern Area does not agree that the inability to locate a fuel receipt during the audit constitutes a questioned cost. Each of the 112 sampled exception transactions cited in the audit's Monetary Impact – Questioned Costs, had an electronic receipt transmitted from the vendor to Fuel Asset Management System (FAMS). Site managers had reviewed all charges for accuracy. Policies required questionable charges be researched and disputed, if necessary. We believe that while record keeping improvement opportunities exist, this does not indicate that the \$6,791,220 cited in the audit was at risk. We agree that fleet card exception transactions must be documented with adequate comments or justifications.

Southern Area agrees that security must be provided to the Voyager Fleet card and the employee pin numbers, but disagree with the calculations used in the Other Impacts – Assets or Accountable Items at Risk section of the audit. The audit states that 320 cards, valued at \$4,944,000, were determined to be at risk at 18 sites, due to inadequate fleet card access and accountability controls. The Voyager card issuer, US Bank, states that the maximum monthly limit for each card is \$1000. If the limit was reached for each of the cards cited in the review, the value would be \$320,000. The risk for this amount would be questioned as the transactions would require a Postal issued PIN, and the charges would be validated monthly or disputed by the site manager in FAMS.

Recommendation 1:

The Southern Area Vice President will direct the District Managers to assign site manager to reconcile high-risk exceptions to include that all vehicles are assigned to the correct finance number, and provide training on the reconciliation process.

Management Response/Action Plan:

Southern Area agrees that all Voyager purchases should be reconciled, especially those designated as high-risk. There is also agreement that all vehicles should be assigned to the correct finance number, and that training is provided to those reconciling Voyager charges for the Units. District certifications of completion will be required.

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Target Implementation Date:

October 9, 2016

Responsible Official:

Mike Barber, Area Manager Operation Support
Tammy Rose, Area Controller

Recommendation 2:

The Southern Area Vice President will direct the District Managers to distribute update user guides for *Voyager Fleet Card Standard Operating Procedures*, and the Fuel Asset Management System to delivery site managers.

Management Response/Action Plan:

Southern Area agrees that all Voyager site managers must have access to the relevant policies and procedures of the Voyager card and its reconciliation. To ensure this recommendation is implemented, the Southern Area will require certifications from each District that distribution of user guides for *Voyager Fleet Card Standard Operating Procedures*, and the Fuel Asset Management System to delivery site managers has been performed.

Target Implementation Date:

October 9, 2016

Responsible Official:

Mike Barber, Area Manager Operation Support
Tammy Rose, Area Controller

Recommendation 3:

The Southern Area Vice President will issue an area management directive instructing delivery units to secure Voyager fleet cards and personal identification numbers, and provide training as appropriate.

Management Response/Action Plan:

Southern Area agrees that security must be provided for Voyager fleet cards and personal identification numbers. The Area, also, agrees that training is provided, as appropriate. To ensure this recommendation is implemented, the Southern Area will issue an area management directive instructing delivery units to secure Voyager fleet cards and personal identification numbers, and provide training as appropriate.

Target Implementation Date:

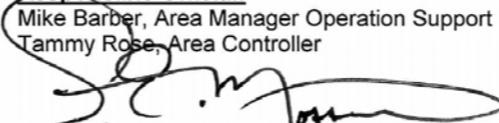
October 9, 2016

Responsible Official:

Mike Barber, Area Manager Operation Support
Tammy Rose, Area Controller

Shaun E. Mossman

cc: Kevin McAdams
Manager, Corporate Audit Response Management
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