



# Internal Controls Over Voyager Card Transactions and Reconciliation Process – Southeast Austin, TX, Station

November 3, 2017





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**Internal Controls Over Voyager Card  
Transactions and Reconciliation Process –  
Southeast Austin, TX, Station**  
Report Number FCS-FM-18-001

**OBJECTIVE:**

The U.S. Postal Service Office of Inspector General (OIG) used data analytics to identify offices with a surge of potentially fraudulent Voyager credit card activity. We identified 128 potentially fraudulent fuel transactions totaling \$7,199, made primarily in Florida with a Voyager card assigned to the Southeast (SE) Austin Station, between January 1 and July 31, 2017.

U.S. Bank manages the Voyager Fleet Systems credit card program for the U.S. Postal Service, and actively monitors transactions to identify potentially fraudulent use of credit cards.

The OIG's Office of Investigations (OI) is included on notices from U.S. Bank to the Postal Service when fraud is suspected and when U.S. Bank has accepted a fraud dispute claim filed by the Postal Service. As a result of the volume of notifications related to Voyager cards assigned to the Austin, TX area, OI contacted U.S. Bank and confirmed there was a surge in fraudulent Voyager credit card activity in the area. OI suspected that data copied from Voyager cards issued to the Southeast Austin, TX, Station had been duplicated, with the counterfeit copies used primarily for purchases at Florida gas stations.

Every Postal Service-owned vehicle is assigned a Voyager card. The card is used to pay for fuel, oil, and routine

vehicle maintenance. Each month, site managers are responsible for reconciling the Voyager card transactions identified as high-risk, such as purchases that exceed the fuel purchase limit.

The objective of this audit was to determine whether internal controls are in place and effective over the reconciliation of Voyager card transactions for detecting and disputing potentially fraudulent activity at the Southeast Austin Station.

**WHAT THE OIG FOUND:**

Internal controls over the reconciliation of Voyager card transactions for detecting and disputing potentially fraudulent activity needed improvement.

Specifically, management did not adequately review Voyager card transaction reports to identify and dispute suspicious transactions. In addition, Voyager card receipts, reconciliation exception reports, and disputed transactions were not always kept on file.

This occurred because the station had numerous detailed managers rotating in and out. These managers did not provide adequate oversight to ensure Postal Service policy was consistently followed regarding reconciling monthly reports and retaining records. In addition, current management and

station personnel involved in the Voyager card reconciliation process did not complete the required online Voyager card training.

Reviewing and disputing possible fraudulent transactions ensures the Postal Service is not held financially responsible for unauthorized purchases. In addition, maintaining these records provides accountability of Voyager card transactions and could be used in researching and resolving disputes successfully.

***WHAT THE OIG RECOMMENDED:***

We recommended district management:

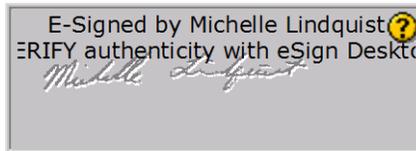
1. Develop a process to monitor Voyager card reconciliations and document retention to ensure consistent oversight of the Voyager Card program at the Southeast Austin Station.
2. Require all applicable station personnel to complete Voyager card training, focusing on procedures for reconciling and disputing transactions and document retention.

*[Link to review the entire report](#)*



November 3, 2017

**MEMORANDUM FOR:** STEVEN HERNANDEZ  
DISTRICT MANAGER, RIO GRANDE



**FROM:** Michelle Lindquist  
Director, Financial Controls

**SUBJECT:** Audit Report – Internal Controls Over Voyager Card  
Transactions and Reconciliation Process – Southeast  
Austin, TX, Station (Report Number FCS-FM-18-001)

This report presents the results of our audit of the Internal Controls Over Voyager Card Transactions and Reconciliation Process – Southeast Austin Station, Austin, TX (Project Number 17BFM031FT000).

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: Corporate Audit and Response Management

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## Introduction

This report presents the results of our self-initiated audit of Internal Controls Over Voyager Card Transactions and Reconciliation Process at the Southeast Austin, TX, Station (Project Number 17BFM031FT000). The Southeast Austin Station is located in the Rio Grande District of the Southern Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

To determine whether internal controls over Voyager card transactions and reconciliations were in place and effective, we interviewed the acting station manager (manager) and other personnel responsible for oversight of the process. We analyzed Voyager card transactions in the Fuel Asset Management System (FAMS)<sup>1</sup> between January 1 and July 31, 2017, and examined related documentation.

We relied on computer-generated data from the Postal Service's FAMS and U.S. Bank's Fleet Commander system.<sup>2</sup> Because the audit focused on potentially fraudulent activity, it was highly unlikely the Southeast Austin Station would have receipts or source documents to independently confirm transaction data from these systems. As a result, we were unable to test the validity of controls over potentially fraudulent activity in these systems. However, we assessed the accuracy of the data by reviewing related documentation and correspondence, internal controls, and interviewing knowledgeable Postal Service personnel. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from September through November 2017, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective. We 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 September 20, 2017, and included their comments where appropriate.

### Finding #1: Voyager Fleet Card Standard Operating Procedure

Management did not adequately review eFleet System<sup>3</sup> reports to identify and dispute suspicious fuel transactions. We found 128 of 168 Voyager card transactions valued at \$7,199 that were not disputed from January 1 through July 31, 2017. The product purchased or purchase location indicated possible fraud and the transactions should have been disputed in the system (see [Table 1](#)).

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<sup>1</sup> FAMS tracks Postal Service purchases using Voyager cards, and through its eFleet module, allows authorized users to display and reconcile vehicle expenses (for example, fuel, oil, repairs, and washing).

<sup>2</sup> Provides total access to observe, update, track, and manage fleet operations and fleet card accounts.

<sup>3</sup> eFleet is the portal used to monitor expenses incurred from the operation and maintenance of postal-owned vehicles. The system allows authorized users to display and reconcile expenses charged to Voyager credit cards.

**Table 1. Undisputed Transactions**

| Transaction Type  | Number of Transactions | Transaction Value |
|---|------------------------|-------------------|
| Transactions outside the delivery zone, <sup>4</sup> flagged for reconciliation     | 24                     | \$2,116.61        |
| Diesel transactions inside the delivery zone, flagged for reconciliation            | 12                     | \$2,417.04        |
| Transactions <sup>5</sup> outside the delivery zone, not flagged for reconciliation | 92                     | \$2,665.84        |
| <b>TOTAL</b>  | <b>128</b>             | <b>\$7,199.49</b> |

Source: U.S. Postal Service Office of Inspector General analysis of FAMS data.

In addition, Voyager card receipts for authorized purchases, reconciliation exception reports,<sup>6</sup> and disputed transactions were not always kept on file as required by Postal Service policy. Specifically, Voyager card receipts and reconciliation exception reports were not kept for two years, and the manager did not maintain documentation for disputed transactions. We found a dispute form completed in May 2017, but the station was unable to provide any other completed dispute forms or documentation submitted to U.S. Bank during the scope period.

This occurred because the station had numerous detailed managers rotating in and out of the station. These managers did not provide adequate oversight to ensure policy was consistently followed regarding reconciling monthly reports and retaining records. In addition, current management and station personnel involved in the Voyager card reconciliation process did not complete the required online *eFleet Card for Site Manager Training*. This training course provides instructions on how to manage the Voyager card, reconcile purchases, dispute transactions, and maintain supporting records.

Postal Service policy states site managers must review the eFleet System reports for unauthorized use and unusual charges.<sup>7</sup> Site managers must submit a dispute form to U.S. Bank for any purchases not authorized by the Postal Service.<sup>8</sup> In addition, site managers are to reconcile receipts with reports displayed in the eFleet System.<sup>9</sup> Postal Service policy requires payment reconciliation records be retained for two years<sup>10</sup> and that site managers keep records of all disputed transactions.<sup>11</sup>

<sup>4</sup> The Southeast Austin Station delivers mail to the 3-digit ZIP Code of 787.

<sup>5</sup> Examples include unleaded fuel purchases in Miami, Florida for \$60.03 on July 5, 2017; Baltimore, Maryland for \$36.94 on July 17, 2017; and Livingston, Louisiana for \$35.69 on July 23, 2017.

<sup>6</sup> A report created to capture transactions that are regarded as “high-risk”, which have the greatest probability of being generated by fraud or abuse, and are displayed as red transactions in FAMS.

<sup>7</sup> Postal Service *Voyager Fleet Card Standard Operating Procedure (SOP)*, November 2016, Section 4.1, Reconciliation Process.

<sup>8</sup> *Postal Service Voyager Fleet Card SOP*, Section 5.1, Disputes.

<sup>9</sup> *Voyager Fleet Card Program Frequently Asked Questions*, April 2011.

<sup>10</sup> Postal Service *Voyager Fleet Card SOP*, Section 4.1, Reconciliation Process.

<sup>11</sup> Postal Service *Voyager Fleet Card SOP*, Section 5.1, Disputes.

We consider the undisputed transactions valued at \$7,199 as unrecoverable questioned costs<sup>12</sup> because management did not follow the required procedures for reconciling and disputing potentially fraudulent transactions. Reviewing and disputing possible fraudulent transactions ensures the Postal Service is not held financially responsible for unauthorized purchases. In addition, maintaining these records provides accountability of Voyager card transactions and could be used in researching and resolving disputes successfully.

As a result of our audit, the manager, the primary reconciler, and a customer service supervisor, completed the training. However, all applicable station personnel responsible for the reviewing, reconciling, and disputing transactions should take this training.

**Recommendation #1: We recommend the Manager, Rio Grande District**, develop a process to monitor Voyager card reconciliation and documentation retention to ensure consistent oversight of the Voyager Card program at the Southeast Austin Station.

**Recommendation #2: We recommend the Manager, Rio Grande District**, require all applicable station personnel to complete Voyager card training, focusing on procedures for reconciling and disputing transactions and document retention.

## Management's Comments

Management agreed with the findings, recommendations, and monetary impact. Regarding recommendation 1, management stated the assigned manager will oversee the Voyager Card program and ensure documents, including receipts, are kept on file for two years. The manager will review reports to identify and dispute suspicious transactions, unauthorized use, and unusual charges. In addition, the manager will document and provide dispute documentation to Voyager and the U. S. Postal Service Office of Inspector General (OIG). These corrective actions will be implemented by January 15, 2018.

Regarding recommendation 2, management noted that the station manager and two supervisors completed the Voyager card training. During subsequent communication, management stated there are two remaining supervisors that will take the *eFleet Card for Site Manager Training*, and the District Manager will also require applicable personnel in the district to take this training by December 1, 2017.

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

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<sup>12</sup> Unnecessary, unreasonable, unsupported, or an alleged violation of law, regulation, contract, et cetera. May be recoverable or unrecoverable. Usually a result of historical events.

## Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. Neither recommendation should 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

DISTRICT MANAGER, CUSTOMER SERVICE & SALES  
RIO GRANDE DISTRICT



October 31, 2017

LORI LAU DILLARD  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Internal Controls Over Voyager Card Transactions and Reconciliation  
Process – Southeast Austin, TX, Station (FT-FM-18-DRAFT)

Rio Grande District management appreciates the opportunity to respond to the findings and recommendations of the Voyager audit performed at the Austin Southeast Station. Management agrees with the importance to develop a process to monitor Voyager card reconciliation and documentation retention to ensure consistent oversight of the Voyager Card program at the Southeast Austin Station. District Management agrees with the requirement that all applicable station personnel complete Voyager card training, focusing on procedures for reconciling and disputing transactions and document retention, and with the identified monetary findings.

The following are the recommendations and the Austin Postmaster's response to those recommendations:

Recommendation 1:

Develop a process to monitor Voyager card reconciliations and document retention to ensure consistent oversight of the Voyager Card program at the Southeast Austin Station.

Management Response/Action Plan:

Management agrees with the OIG's findings and recommendations.

There is an assigned Manager of the Southeast Station who will oversee the Voyager Card Program. The Manager will ensure that the documents will be kept for two years. There is now a process in place where the receipts will be kept by month in an envelope and filed for the two year retention period. The Manager will adequately review reports to identify and dispute suspicious transactions and will also ensure that all unauthorized use or unusual charges will be disputed. They will be documented and sent to both Voyager and the OIG.

Target Implementation Date:

January 15, 2018.

Responsible Official:

Officer-in-Charge, Austin Post Office, Manager, Customer Service Operations, Station Manager, Austin Southeast Station, District Finance Manager

1 POST OFFICE DRIVE  
SAN ANTONIO, TX 78284-9998  
(210) 368-5548

- 2 -

Recommendation 2:

Require that applicable station personnel complete Voyager card training, focusing on procedures for reconciling and disputing transactions and document retention.

Management Response/Action Plan:

Management agrees with the OIG's findings and recommendations, and will also require all applicable personnel in the Rio Grande District to take this same training.

Southeast Station Manager Alicia Michalsky and Supervisors Ryan Kratzer and Stephanie Sam-Vaughns will take the eFleet Card for Site Manager Training in LMS.

Target Implementation Date:

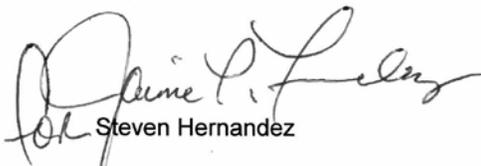
December 1, 2017.

Responsible Official:

District Manager, Rio Grande District

We take the breakdown in processes for oversight of the Voyager eFleet card very seriously and are emphasizing the importance of these processes to all units in the Rio Grande District. We realize there is great potential for fraudulent activity and monetary losses to the Postal Service if our processes are not adhered to, and appreciate the efforts of the OIG to help us protect the assets of the Postal Service.

If you have any questions, please contact Corey Richards, Officer-In-Charge, Austin TX, at 512-342-1576.



Steven Hernandez

cc: Corey Richards, OIC Austin TX  
Mgr., Corporate Audit and Response Management