



Internal Controls Over Voyager Card Transactions - Fort Collins, CO, Main Post Office

July 15, 2016





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Fort Collins, CO, Main Post Office**
Report Number FT-FM-16-001

BACKGROUND:

The U.S. Postal Service Office of Inspector General (OIG) uses data analytics, including predictive risk models and tripwires, to identify financial anomalies. Tripwires are analytic tools that look at specific behaviors and patterns that are strong indicators of improper activity. The Voyager credit card tripwire identified purchases exceeding the long life vehicle (LLV) tank capacity at the Fort Collins, CO, Main Post Office (MPO). These types of purchases are considered suspicious and could indicate ineffective internal controls or fraud.

Every U.S. Postal Service-owned vehicle is assigned a Voyager card and every driver receives a personal identification number (PIN). Drivers use the card to pay for fuel, oil, and routine vehicle maintenance. Site managers are responsible for verifying Voyager card transactions and all supporting documentation.

The objectives of this audit were to review the validity of the transactions that exceeded the LLV tank capacity and assess the internal controls over Voyager card transactions at the Fort Collins, CO, MPO.

WHAT THE OIG FOUND:

The Voyager credit card tripwire identified 11 of 164 (7 percent)

transactions made from December 9 to December 14, 2015, valued at \$1,800 that exceeded the LLV tank capacity. The site manager stated the transactions were the result of an incident involving suspected theft of Voyager card information at several gas stations. The incident involved fuel purchases that were approved and appeared to be legitimately made by Postal Service drivers. The site manager began to dispute these transactions but did not timely submit all the documents to complete the process. Therefore, the Postal Service will not be entitled to credits. We referred the information to the OIG's Office of Investigation (OI) for further review.

In addition, we determined controls over Voyager card transactions needed improvement. The site manager did not:

- Conduct reconciliations timely. The site manager was a full-time carrier. He stated he did not have time at the end of his shift to conduct his ad hoc site manager duties.
- Deactivate PINs for six carriers no longer working at the site. Two of the six PINs were used to make four fuel transactions valued at \$81. We also referred this information to OI.
- Properly secure the cards.

When internal controls are not in place and functioning as intended, management cannot effectively mitigate the risk of theft or misuse of the card.

As a result of this audit, the postmaster appointed a full-time site manager and secured the cards with a lock-and-key container. The site manager also deactivated the six inactive driver PINs.

WHAT THE OIG RECOMMENDED:

We recommended management establish a process whereby the site manager follows Voyager card procedures and receives timely updates of personnel changes impacting the Voyager card program.

[Link to review the entire report](#)



July 15, 2016

MEMORANDUM FOR: SELWYN EPPERSON
DISTRICT MANAGER, COLORADO/WYOMING DISTRICT

E-Signed by Lorie Nelson 
VERIFY authenticity with eSign Desktop
Lorie Nelson

FROM: Lorie Nelson
Director, Finance

SUBJECT: Audit Report – Internal Controls Over Voyager Card
Transactions - Fort Collins, CO, Main Post Office
(Report Number FT-FM-16-001).

This report presents the results of our audit of Internal Controls Over Voyager Card Transactions at the Fort Collins, CO, Main Post Office (Project Number 16BG015FT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Asha Mede, deputy director, Financial Controls, 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 audit of Internal Controls Over Voyager Card Transactions — Fort Collins, CO, Main Post Office (Project Number 16BG015FT000). The Fort Collins Main Post Office (MPO) is located in the Colorado/Wyoming District of the Western Area. This self-initiated audit is one of several audits of the Voyager card designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

We reviewed Voyager fleet card¹ purchases and the related receipts from November 1, 2015, to January 31, 2016. We interviewed the site manager and other personnel responsible for the oversight of the Voyager card. We also relied on computer-generated data maintained by Postal Service systems. These systems included Enterprise Data Warehouse (EDW),² Fleet Commander,³ Fuel Asset Management System (FAMS),⁴ Time and Attendance Collection System (TACS),⁵ and Web-based Complement Information System (WebCOINS).⁶ We did not test the validity of controls over these systems; however, we verified the accuracy of the data by confirming our analysis and results with Postal Service managers. We determined that the data were sufficiently reliable for the purposes of this report.

We conducted this audit from May through July 2016, 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 objectives. We discussed our observations and conclusions with management on May 12, 2016, and included their comments where appropriate.

Long Life Vehicle Capacity

The Voyager credit card tripwire identified 11 of 164 (7 percent) transactions made from December 9 to December 14, 2015, valued at \$1,800 that exceeded the long life vehicle (LLV) tank capacity. According to the site manager the transactions were the result of an incident involving suspected theft of Voyager card information at several gas stations in Colorado. The incident involved fuel purchases that were approved and appeared to be legitimately made by Postal Service drivers. The monthly reconciliation report

¹ Assigned to Postal Service vehicles and used to pay for fuel, oil, and routine vehicle maintenance.

² A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information that occurs across the mail delivery system, points-of-sales, and other sources is fed into the system.

³ Provides total access to observe, update, track, and manage fleet operations and fleet card accounts.

⁴ A cost management tool used to manage and control fuel costs. The system allows authorized users to display and reconcile expenses (for example, fuel, oil, repairs, and washing) that were charged to Voyager cards.

⁵ A system used by all installations to automate the collection of employee time and attendance information.

⁶ A web interface that displays and stores information about employee complement details down to the office or unit level. The system gives local management a resource for monitoring and tracking employee complement.

showed 10 of the 11 transactions were charged to a driver with no name; however, the personal identification number (PIN) was valid and assigned to the Fort Collins MPO. The other transaction was made by a driver not assigned to the site.

The site manager began the process to dispute the transactions but did not timely submit the proper documentation to complete the process. Specifically, the site manager disputed the transactions in FAMS but did not complete the *U.S. Postal Service Voyager Account Dispute Form* within the required 30 days and notify the U.S. Postal Service Office of Inspector General (OIG) because of suspected fraud or misuse.⁷

According to a U.S. Bank representative, the Postal Service will not be entitled to credits for the 11 transactions because the dispute form was not completed within 30 days from when the charges first appeared. We consider the transactions valued at \$1,800 as unsupported questioned costs⁸ because the transactions were not properly disputed.

Monthly Reconciliations

The site manager did not complete the required monthly reconciliations of Voyager card receipts and all supporting documentation. He also did not certify his review in FAMS from November 2015 through January 2016. According to the site manager, he did not have time to conduct monthly reconciliations at the end of his shift, which was from 7:30 a.m. to 3:30 p.m. He was a full-time carrier and site manager was an ad hoc duty.

Voyager card policy requires site managers to reconcile purchases prior to the end of each month. The Postal Service makes payments for transactions weekly.⁹ If the transactions are not reconciled timely or properly verified, the Postal Service is at increased risk of paying for unauthorized purchases.

As a result of this audit, on May 12, 2016, the postmaster appointed a full-time site manager to oversee the Voyager card program.

Voyager Card Personal Identification Numbers

The site manager did not actively monitor PINs assigned to drivers. We identified six active PINs assigned to employees who no longer worked at the Fort Collins MPO. Two of the six PINs were used to make four fuel transactions valued at \$81.30.

⁷ *Voyager Fleet Card Standard Operating Procedure*, Chapter 5, Disputes and Lost / Stolen Cards, Section 5.1 Disputes, July 17, 2015.

⁸ A weaker claim and a subset of questioned costs. Claimed because of failure to follow policy or required procedures, but does not necessarily connote any real damage to Postal Service.

⁹ *Voyager Fleet Card Standard Operating Procedure*, Chapter 1, Introduction and Responsibilities, Section 1.3 Responsibilities, July 17, 2015.

The site manager completed the *eFleet Card: Site Manager* course in June 2015 but stated he was not aware of the PIN management policy. In addition, he stated management did not provide timely updates to him when carriers left the unit.

Postal Service policy states that every Postal Service-owned vehicle is assigned a Voyager card, and each vehicle driver receives a randomly assigned PIN. The driver PIN is a private number entered at the time of a transaction. A PIN must be used with each card transaction to identify the individual authorizing that particular purchase. Site managers are responsible for updating driver information with U.S. Bank and maintaining appropriate security over the PIN list. As soon as an employee leaves the site, either permanently or for a detail, the PIN must be terminated.¹⁰

If the site manager does not actively oversee driver PINs, the PINs could be misused to make unauthorized and improper purchases. We identified \$81.30 in unsupported questioned costs for transactions made with PINs assigned to employees who no longer worked at the Fort Collins MPO.

As a result of this audit, on May 12, 2016, the current site manager deactivated the six inactive driver PINs.

Voyager Cards and Other Accountable Items Security

The cart, which housed the Voyager cards, arrow keys used to open collection boxes, and other accountable items, was left unattended on the workroom floor. In addition, the site manager's office door was left open during and at the end of the work day with Voyager card information visible on his desk. See [Figure 1](#), [Figure 2](#), and [Figure 3](#).

¹⁰ *Voyager Fleet card Standard Operating Procedure*, Chapter 2, Section 2.2.2. PIN Management, July 17, 2015.

Figure 1. Unattended Cart With Voyager Cards On Side of Cart



Source: OIG photograph taken May 11, 2016.

Figure 2. Site Manager's Unlocked Office Door



Source: OIG photograph taken May 10, 2016.

Figure 3. Site Manager’s Desk With Visible Voyager Documentation



Source: OIG photograph taken May 10, 2016.

The clerk responsible for the cart stepped away to address a supervisor’s request and left the cart unattended. In addition, the site manager stated he forgot to close his office door.

Site managers are responsible for the security of Voyager cards and supporting documentation.¹¹ If the cards and supporting documents are not properly secured the card information could be stolen and misused by unauthorized personnel.

As a result of this audit, on May 12, 2016, the postmaster stored and secured the Voyager cards in a lock-and-key filing container.

Recommendations

We recommend the manager, Colorado/Wyoming District, instruct the postmaster, Fort Collins, CO, Main Post Office, to:

1. Establish controls to ensure the site manager follows Voyager card standard operating procedures for the dispute resolution process, monthly reconciliations, missing receipts, and personal identification number management.
2. Implement a process to provide the site manager with timely updates of personnel changes impacting the Voyager card program.

¹¹ *Voyager Fleet Card Standard Operating Procedure*, Chapter 1, Introduction and Responsibilities, 1.3 Responsibilities, July 17, 2015.

Management's Comments

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

Regarding recommendation 1, management stated the Voyager Fleet Card Standard Operating Procedures (SOP) should be followed by the Fort Collins Post Office and by all offices in the Colorado/Wyoming District. Management sent the SOP to every district office on June 30, 2016 and July 7, 2016.

Regarding recommendation 2, management outlined the process for personnel updates. It includes copying the Fleet Commander on all emails regarding new hires, resignations and retirements, and requiring new employees to see the Fleet Commander on their first day to get their Personal Identification Number (PIN) and instructions for use. Finally, when there is a separation or retirement, the Fleet Commander revokes the employee's PIN.

Management also assigned the monthly reconciliation duties to a full-time supervisor to facilitate timely reconciliations. Finally, the Fleet Commander will keep the site manager updated on any personnel updates that impact the Voyager card program. The postmaster oversees these processes to ensure compliance. Management implemented these processes on June 18, 2016, and stated that all reconciliations are up to date.

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 and actions should resolve the issues identified in the report.

We consider the recommendations closed with the issuance of this report.

Appendix A: Management's Comments

DISTRICT MANAGER
COLORADO/WYOMING DISTRICT



July 11, 2016

SHERRY FULLWOOD
ACTING DIRECTOR, AUDIT OPERATIONS

SUBJECT: Internal Controls Over Voyager Card Transactions
Ft. Collins, CO, Main Post Office (Project Number: 16BG015FT000)
Report Number FT-FM-16-DRAFT

Thank you for providing the Postal Service with the opportunity to review and comment on the subject draft audit report. Management agrees with the findings, recommendations, and monetary impacts (listed in table 1 below).

Table 1. Calculation of Unsupported Questioned Costs

Monetary Impact Analysis	Total Cost
Transactions that were not properly disputed	\$1,800.00
Two active PINs for employees no longer working at the Fort Collins Main Post Office were used for four fuel transactions	81.30
Total	\$ 1,881.30

Recommendations:

We recommend the manager, Colorado/Wyoming District, instruct the postmaster, Fort Collins, CO, Main Post Office, to:

- 1. Establish controls to ensure the site manager follows Voyager card standard operating procedures for the dispute resolution process, monthly reconciliations, missing receipts, and personal identification number management.**

Management Response/Action Plan:

Management agrees that the Voyager Fleet Card Standard Operating Procedure (SOP) should be followed by not only the Fort Collins Post Office, but by all offices in the Colorado/Wyoming District. The SOP has been sent out to every district office.

Target Implementation Date:

The SOP was sent out to the CO/WY District on June 13, 2016, and again on July 7, 2016.

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Responsible Official:

Sandra Creek, manager (A), Delivery Programs

2. Implement a process to provide the site manager with timely updates of personnel changes impacting the Voyager card program.

Management Response/Action Plan:

John Chacon is the Fleet Commander for the Ft Collins installation. He is copied on all emails regarding new hires, resignations and retirements.

As part of orientation to the office, all new employees must report to Ft Collins Main on their first day of employment in Ft Collins. One of the tasks on their list is to see Mr. Chacon to receive their pin number and instructions on use.

When there is a separation or retirement, revoking the employee's pin is completed when processing the PS Form 337 or PS Form 2574 by Mr. Chacon.

Management has assigned the monthly reconciliation duties to a full-time supervisor to facilitate timely reconciliations. Supervisor, Customer Services, Travis Stevens at the Fort Collins Main Post Office is the site manager; and Mr. Chacon will keep him updated on any personnel updates that impact the Voyager card program.

This is all overseen by Postmaster Jim Dunlap to ensure compliance.

Target Implementation Date:

Mr. Stevens took over the reconciliation on June 18, 2016, and Fort Collins Main Post Office is up to date on reconciliations.

Responsible Official:

Jim Dunlap, postmaster, Fort Collins, CO.



Selwyn D. Epperson
District Manager
Customer Service and Sales

Attachment

cc: Manager, Corporate Audit and Response Management
at CARMManager@USPS.gov