



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

AUDIT REPORT

Internal Controls Over Voyager Card Transactions – Germantown Post Office, Germantown, TN

July 29, 2016



Report Number FT-FM-16-005



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Transactions - Germantown Post Office,
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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 that exceeded the tank capacity of long life vehicles (LLV) at the Germantown Post Office in Germantown, TN. These types of purchases are considered suspicious and could indicate ineffective internal controls.

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 transactions exceeding the LLV tank capacity and assess the internal controls over Voyager card transactions at the Germantown Post Office.

WHAT THE OIG FOUND:

The Voyager credit card tripwire identified 41 transactions made from November 2015 through January 2016 where the amount of fuel purchased

exceeded the LLV tank capacity. We verified 12 transactions exceeded the LLV tank's capacity by at least 1 gallon. The total value of the excess fuel was \$85. This occurred because the designee performing the monthly reconciliations only verified the dollar value of the purchases against the receipts and not gallons purchased. We referred these transactions to the OIG's Office of Investigations (OI) for further review.

In addition, we determined internal controls over Voyager card transactions need improvement. Specifically:

- The designee did not properly conduct required monthly reconciliations. The designee did not:
 - Verify original receipts for 29 maintenance and towing service transactions, valued at \$19,622. The receipts were maintained offsite at the vehicle maintenance facility (VMF), and the site manager relied on the VMF manager to tell her whether the receipts for the transactions existed. We obtained copies of the receipts from the VMF and verified the validity of the transactions.
 - Require drivers to complete the mandatory missing receipt forms

for 135 of 931 (about 15 percent) transactions valued at \$2,413. We referred these transactions to the OI for further review.

- Maintain copies of the exception reports used to validate transactions.
- The site manager did not immediately deactivate four cards reported lost or stolen. We did not identify unauthorized charges on these cards from the time the cards were reported lost or stolen the week of April 25, 2016 until the time of our site visit on May 9, 2016.
- Although all transactions below were legitimate, the site manager did not properly assign and manage Voyager card PINs.
 - We identified charges valued at \$1,348 incurred by a car wash vendor improperly assigned a Voyager PIN.
 - Ten fuel purchases valued at \$214 were incurred by LLV drivers using the same car wash vendor PIN.
- The site manager did not fully implement Voyager's fraud prevention controls to prevent transactions from exceeding the daily limit. We identified 14 unauthorized transactions valued at \$7,848 that exceeded the PIN's \$300 daily limit. The Postal Service received credit for 13 of the unauthorized transactions from U.S. Bank. The remaining transaction was a legitimate purchase for vehicle repairs valued at \$344. However,

instead of using a vehicle maintenance card, an employee used the Voyager card to make the purchase.

When internal controls are not in place and functioning, Voyager cards may be misused to make unauthorized purchases. Additionally, if the Postal Service does not maximize the preventative controls, charges can be approved above the limit, resulting in improper disbursements.

As a result of this audit, U.S. Bank deactivated the car wash PIN and all lost or stolen cards.

WHAT THE OIG RECOMMENDED:

We recommended management establish controls to ensure standard operating procedures are consistently followed so Voyager card transactions are properly reconciled and lost or stolen cards are terminated.

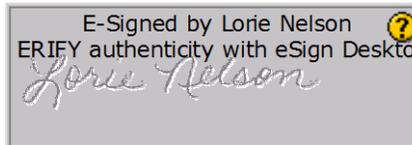
Also, we recommended management reiterate the policy for the security and management of PINs and fully implement fraud prevention controls to prevent transactions from exceeding the daily limit.

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



July 29, 2016

MEMORANDUM FOR: DAVID J. DILLMAN
DISTRICT MANAGER, TENNESSEE DISTRICT



FROM: Lorie Nelson
Director, Finance

SUBJECT: Audit Report – Internal Controls Over Voyager Card
Transactions – Germantown Post Office, Germantown, TN
(Report Number FT-FM-16-005)

This report presents the results of our audit of Internal Controls Over Voyager Card Transactions – Germantown Post Office, Germantown, TN (Project Number 16BG014FT000).

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 – Germantown Post Office, Germantown, TN (Project Number 16BG014FT000). The Germantown Post Office is located in the Tennessee District of the Eastern Area. This self-initiated review 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 related receipts from November 1, 2015, to January 31, 2016. We interviewed the site manager and other personnel responsible for overseeing the Voyager card. We also relied on computer-generated data maintained by Postal Service systems. These systems included Enterprise Data Warehouse,² Fleet Commander,³ Fuel Asset Management System (FAMS),⁴ Time and Attendance Collection System,⁵ and Web-based Complement Information System.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 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 Tank Capacity

The Voyager credit card tripwire identified 41 transactions made from November 2015 through January 2016 where the amount of fuel purchased exceeded the long life vehicle (LLV) tank capacity. We verified 12 transactions exceeded the LLV tank's capacity by at least 1 gallon. The total value of the excess fuel purchased was \$84.90. Four transactions exceeded the tank's capacity by over 4 gallons, and one transaction exceeded the tank's capacity by almost 10 gallons. (see [Table 1](#)).

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-sale, 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 that automates the collection of employee time and attendance information. It combines the functionality of several previously used time and attendance systems into one standard.

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.

Table 1. Transactions Exceeding Vehicle Fuel Tank Capacity by at Least 1 Gallon

| Transactions | Product Purchased | Purchase Date | Tank Capacity | Number of Gallons Purchased | Excess Tank Capacity | Cost Per Gallon | Excess Amount |
|--------------|-------------------|---------------|---------------|-----------------------------|----------------------|-----------------|----------------|
| 1 | Unleaded | 11/2/15 | 15 | 16.09 | 1.09 | \$2.30 | \$2.51 |
| 2 | Unleaded | 11/23/15 | 15 | 18.45 | 3.45 | 2.10 | 7.25 |
| 3 | Unleaded | 11/ 28/15 | 15 | 19.53 | 4.53 | 2.10 | 9.51 |
| 4 | Unleaded | 12/12/15 | 15 | 19.98 | 4.98 | 2.00 | 9.96 |
| 5 | Unleaded | 12/15/15 | 15 | 17.68 | 2.68 | 2.00 | 5.36 |
| 6 | Unleaded | 12/ 22/15 | 15 | 24.67 | 9.67 | 2.00 | 19.34 |
| 7 | Unleaded | 12/23/15 | 15 | 16.31 | 1.31 | 2.00 | 2.62 |
| 8 | Unleaded | 12/26/15 | 15 | 16.81 | 1.81 | 2.00 | 3.62 |
| 9 | Unleaded | 12/28/15 | 15 | 19.98 | 4.98 | 2.00 | 9.96 |
| 10 | Unleaded | 1/2/16 | 15 | 19.26 | 4.26 | 2.00 | 8.52 |
| 11 | Unleaded | 1/7/16 | 15 | 16.53 | 1.53 | 2.00 | 3.06 |
| 12 | Unleaded | 1/16/16 | 15 | 16.63 | 1.63 | 1.96 | 3.19 |
| | | | | | | TOTAL | \$84.90 |

Source: U.S. Postal Service Office of Inspector General (OIG) tripwire data and U.S. Bank Voyager Fleet Commander fuel transaction detail.

This occurred because the designee performing the monthly reconciliations did not verify the receipts for allowable gallons. The designee only verified the dollar value of the purchases against the receipts.

The FAMS Reconciliation by Exception Process⁷ classifies fuel purchases exceeding the allowed amount as high-risk transactions. Site managers or their designees must check the eFleet reports for unauthorized use and unusual charges and are responsible for verifying questionable purchases.⁸

Identifying why gallons of fuel exceed the allowed amount could help mitigate the recurrence of transactions that exceed the vehicle fuel tank capacity and misuse of fuel. We considered the \$84.90 of transactions exceeding LLV tank capacity as unsupported questioned costs.⁹

⁷ FAMS Reconciliation by Exception Process User Guide, March 5, 2013.

⁸ Voyager Fleet Card Standard Operating Procedure, July 17, 2015, Section 4, Account Reconciliation.

⁹ 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.

Reconciliations

The designee did not always properly complete required monthly reconciliations. Specifically, the designee did not verify receipts or supporting documentation for 29 maintenance and towing transactions, valued at \$19,621.66. Also, of 931 transactions we reviewed between November 1, 2015, and January 31, 2016, 135 (14.5 percent), valued at \$2,412.75, did not have supporting receipts or the documentation that is required to explain missing receipts (Voyager Fleet Card Transaction: No Receipt Form).

Verification of Receipts

The designee did not verify receipts or supporting documentation for 29 maintenance and towing transactions, valued at \$19,621.66. Receipts for services from vendors that perform repairs on Germantown Post Office vehicles were maintained at the vehicle maintenance facility (VMF), not at the Germantown Post Office. The designee did not require VMF personnel to provide receipts or other supporting documentation. Instead the designee relied on the VMF manager to tell her whether the receipts existed. We obtained copies of the receipts from the VMF and verified the validity of the transactions.

Postal Service policy¹⁰ requires the site manager or designee to certify that receipts or other supporting documentation were received and reviewed as part of the reconciliation process.

If the site manager or designee does not verify receipts or other supporting documentation, the facility cannot accurately validate transaction values and may be vulnerable to unauthorized transactions. We considered the \$19,621.66 for transactions where receipts were not verified to be disbursements at risk.¹¹ This amount does not indicate an actual loss to the Postal Service.

Receipts or Other Supporting Documentation

As shown in [Table 2](#),¹² of 931 transactions we reviewed between November 1, 2015, and January 31, 2016, 135 (14.5 percent), valued at \$2,412.75, did not have supporting receipts or the documentation that is required to explain missing receipts (Voyager Fleet Card Transaction: No Receipt Form). For those transactions with supporting documentation, the form did not have the required information such as the vehicle number and transaction date. The designee responsible for the reconciliations was aware of the policy but did not always enforce it by requiring drivers to submit receipts or complete the required missing receipt form.

¹⁰ *Voyager Fleet Card Standard Operating Procedure*, July 17, 2015, Section 4, Account Reconciliation.

¹¹ Disbursements made where proper Postal Service internal controls and processes were not followed.

¹² Excludes 36 fraudulent transaction that were reimbursed by U.S. Bank.

Table 2. Transactions With Missing Receipts

| Month | Number of Transactions Reviewed | Transactions With Missing Receipts | Value of Transactions Missing Receipts |
|---------------|---------------------------------|------------------------------------|--|
| November 2015 | 292 | 34 | \$640.54 |
| December 2015 | 350 | 72 | 1,275.18 |
| January 2016 | 289 | 29 | 497.03 |
| Total | 931 | 135 | \$2,412.75 |

Source: OIG analysis.

Postal Service policy¹³ requires the site manager or designee to use a signed Voyager Fleet Card Transaction – No Receipt form to document missing receipts. In addition, the designee or site manager must:

- Contact the cardholder to determine why the receipt is missing.
- Secure a signed Voyager Fleet Card Transaction: No Receipt Form.
- Verify the purchase was valid.
- Annotate the results of the determination in FAMS.

In addition, the designee did not maintain exception reports used to validate transactions. Specifically, the designee did not print or maintain hard copies of the FAMS Reconciliation by Exception reports from November 2015 to January 2016, as required. The designee stated she was unaware of the requirement.

The policy states that as part of the reconciliation process, FAMS Reconciliation by Exception reports must be printed and retained for 2 years.¹⁴

Receipts and supporting documentation should serve as reconciliation support. If the site manager does not obtain receipts for all transactions or use the required “No Receipt” form to support missing receipts, management cannot ensure the transactions were for authorized purchases. We consider \$2,412.75 for transactions without receipts or the required form to document missing receipts as unsupported questioned costs.

Lost or Stolen Voyager Cards

Four Voyager cards reported lost or stolen were not immediately deactivated by the site manager. Three cards were reported missing by drivers about 2 weeks prior to our visit. The fourth card belonged to a vehicle that was destroyed by fire in 2015. We did not identify unauthorized charges on these cards during the period from the time the cards were reported lost or stolen the week of April 25, 2016 until the time of our visit on May 9, 2016.

¹³ *Voyager Fleet Card Standard Operating Procedure*, July 17, 2015, Section 4, Account Reconciliation.

¹⁴ *Voyager Fleet Card Standard Operating Procedure*, July 17, 2015, Section 4, Account Reconciliation.

The site manager completed the required account maintenance form to document the lost or stolen cards but was not aware she should have called U.S. Bank to immediately deactivate the cards. Postal Service policy¹⁵ states that if a card is lost or stolen, the driver must immediately notify the site manager. In turn, the site manager must immediately notify U.S. Bank.

If lost credit cards are not canceled immediately, they could be used for improper purchases by unauthorized persons.

As a result of this audit, the site manager contacted U.S. Bank and, on May 13 and 19, 2016, U.S. Bank confirmed the four cards reported lost or stolen were deactivated.

Personal Identification Number

The site manager did not properly assign and manage Voyager card personal identification numbers (PIN). Specifically, we identified charges valued at \$1,348.46 incurred by a car wash vendor improperly assigned a Voyager PIN. In addition, 10 fuel purchases valued at \$214.42 were made by LLV drivers using the same car wash vendor PIN. We verified all transactions were legitimate purchases for car wash services that were approved by the site manager.

The site manager informed us that issuing PINs to vendors was a standard practice put in place before her tenure. However, Postal Service policy¹⁶ specifically prohibits the issuance of PINs to non-postal employees or vendors.

Also, the site manager stated the LLV drivers and car wash vendor shared PINs because the facility's fuel cards and PIN information were stolen and used to make fraudulent transactions in November 2015.¹⁷ Most of the cards and PINs were canceled and reissued to hinder further fraudulent charges. However, drivers kept and shared cards and PINs, showing no signs of compromise.

Postal Service policy states that every driver must receive a randomly assigned PIN that is a private number, and site managers must secure the PINs and maintain appropriate security to avoid misuse.¹⁸

Using PINs interchangeably inhibits the accountability of purchases by drivers and vendors, making it more difficult to identify unauthorized use. We considered the \$1,562.88 for transactions incurred by the carwash vendor and the LLV drivers who shared a PIN with the vendor as disbursements at risk.

¹⁵ *Voyager Fleet Card Standard Operating Procedure*, July 17, 2015, Section 5.2, Lost/Stolen Cards.

¹⁶ Postal Fleet Card Program Frequently Asked Questions, USPS Blue Pages, last updated August 1, 2007.

¹⁷ The facility identified 36 fraudulent transactions, valued at \$9,786, that were a result of a skimming incident in November 2015.

¹⁸ *Voyager Fleet Card Standard Operating Procedure*, July 17, 2015, 2.2.2. PIN Management.

As a result of this audit, the site manager requested deactivation of the PIN assigned to the car wash vendor and on May 19, 2016, U.S. Bank confirmed it was deactivated.

Daily Personal Identification Number Limit

We identified 14 transactions valued at \$7,848 that exceeded the PIN \$300 daily limit. According to the site manager, these transactions were a result of a skimming¹⁹ incident perpetrated at a local gas station in November 2015.²⁰ The Postal Service received credit from U.S. Bank for 13 unauthorized transactions, valued at \$7,504.15. The remaining transaction, valued at \$343.85, was a legitimate purchase for vehicle repairs. An employee used the Voyager card instead of the Z card, which should be used for non-fuel transactions greater than \$300.²¹

This occurred because the Germantown Post Office did not fully implement hard limit controls to prevent transactions from exceeding the daily limit.

Postal Service policy²² stipulates PIN limits at \$300 daily and \$1,000 per month. The VMF manager or designee may authorize an increase using U.S. Bank's PIN Limit Change Request Form. Also, the site manager is required to perform a formal review of PINs on a semi-annual basis to verify PIN limits and assignments are accurate and complete.

Fully implementing fraud prevention controls could mitigate the risk of recurring skimming incidents and transactions that exceed the daily limit.

Recommendations

We recommend the manager, Tennessee District, instruct the postmaster, Germantown Post Office, to:

1. Establish controls to ensure standard operating procedures are consistently followed for the reconciliation of Voyager card transactions and lost or stolen cards.
2. Reiterate the policy for the security and management of personal identification numbers.
3. Fully implement the fraud prevention controls to prevent transactions from exceeding the daily limit.

¹⁹ A type of fraud in which the numbers on a credit card are recorded and then transferred to a duplicate card. This is done without the knowledge of the original credit card holder.

²⁰ The facility identified 36 fraudulent transactions in total, valued at \$9,786, that were a result of a skimming incident in November 2015.

²¹ Nonfuel transactions below \$300 can be charged to the Voyager card. Transactions greater than \$300 require a Z card. This card is used for non-fuel transactions such as maintenance and repairs.

²² *Voyager Fleet Card Standard Operating Procedures*, July 17, 2015, Section 2.2, Controls.

Management's Comments

Management agreed with the findings, recommendations and monetary impact. The Tennessee district plans to share the overall findings and recommendations with all Voyager Sites within the district to inform them of opportunities to improve oversight and compliance. They also plan to reissue the Voyager standard operating procedures and the FAMS Reconciliation Guide to reemphasize procedures and ensure compliance.

In addition, management has taken or plans to take corrective action to address the recommendations. Specifically, management indicated the employee performing the reconciliation completed the required training and the VMF will now forward copies of Voyager receipts to the postmaster to be kept on site and filed with the monthly reconciliation paperwork. Also, management canceled the PIN assigned to the car wash vendor and addressed the issue of lost or stolen cards with the staff at Germantown. The target implementation date for all corrective actions is August 5, 2016.

Finally, management indicated there were other factors which are not fraudulent in nature such as over fueling by drivers who are topping off the tank which could cause fuel to exceed the tank capacity.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 1 and 2 in the report. However, management did not provide a complete response to recommendation 3. Specifically, management did not indicate whether they plan to fully implement hard limit controls to prevent transactions from exceeding the daily limit. The OIG plans to address this issue in future audit work. Therefore, we will not pursue resolution at this time.

Regarding tank capacity, we acknowledge factors such as drivers topping off the tank could cause fueling to exceed the tank capacity. Accordingly, we did not include transactions exceeding the tank capacity by one gallon or less in our findings.

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

DISTRICT MANAGER
TENNESSEE CUSTOMER SERVICE AND SALES



July 25, 2016

MEMORANDUM FOR: Sherry Fullwood
Acting Director, Audit Operations
Office of Inspector General
United States Postal Service

SUBJECT: Response to Draft Audit Report – Internal Controls
Over Voyager Card Transactions – Germantown Post
Office
(Report Number FT-FM-16-DRAFT)

Thank you for the opportunity to respond to the OIG Audit regarding Internal Controls over Voyager Card Transactions at the Germantown, TN Post Office. The Tennessee district does agree with the recommendations made during this audit as they pertain to the Voyager SOP in place at the time of the audit. The overall findings and recommendations will be shared with all Voyager Sites within the Tennessee District in order to make all aware of our opportunities to improve Voyager oversight and compliance.

Regarding Monetary Impacts – Unsupported Questioned Cost:

The Tennessee District agrees with the findings of the Audit Report. During the time frame reviewed (November 1, 2015 – January 31, 2016) there were 12 purchases that exceeded the tank capacity for an amount of \$84.90 total. These were outside of the 28 overcapacity transactions that were a result of a skimming incident in November of 2015. In addition, the Tennessee District agrees with the findings regarding transactions without associated receipts. The audit noted that 135 transactions valued at \$2412.75 where receipts were missing.

Regarding Other Impacts – Safeguarding Assets – Disbursements at Risk:

The Tennessee District agrees with the findings of the Audit Report. The Audit determined that 29 maintenance and towing transactions, valued at \$19,621.66 did not have receipts maintained on site at the Germantown Post Office. These receipts were held at the Memphis VMF. During the reconciliation process, the VMF was contacted and they provided a verbal confirmation. The Tennessee District agrees with the findings of the Audit Report. The Audit identified \$1,348.46 incurred by a local car wash vendor who had been assigned a

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personal identification number (PIN). There was an additional \$214.42 in fuel purchases which were made by a carrier in the facility who was using the same PIN as the vendor.

The Tennessee District acknowledges the need to properly review, reconcile and follow all guidelines in accordance with the Voyager Fleet Card SOP & FAMS Reconciliation Guide. As part of the action plan, the Tennessee District will reissue both to all field users.

Recommendation 1: Establish controls to ensure standard operating procedures are consistently followed to ensure Voyager card transactions are properly reconciled and lost or stolen cards are terminated.

Voyager Reconciliation:

Management Response/Action Plan: The Tennessee District agrees with this recommendation. At the time of the audit, the Germantown Post Office was conducting the reconciliation process in FAMS, but failed to print the reports & maintain the receipt/notations with the month's documents to be retained for two years. This was due to the individual performing the reconciliation had not completed the online Course eFleet Card: Site Manager - Course Number: 10019126. This has been addressed by the Postmaster and the employee reconciling the Voyager transactions completed this course in LMS on 5/24/16 as required in the Voyager SOP, section 1.4 Training and Accountability.

Additionally noted during the audit were missing receipts kept at the local VMF for maintenance repair charges. The process at the time of the audit was for a phone call to be made to VMF verifying the transaction. This process has been addressed & now the VMF immediately forwards a copy of the receipt to the Postmaster for them to be kept on site & filed with the monthly reconciliation paperwork. The Tennessee District will reissue the Voyager SOP along with the findings and recommendations from this audit to ensure all Voyager sites are aware of the training requirements & for the need to the appropriate monthly paperwork together & on file for two years.

Target Implementation Date: August 5, 2016

Responsible Official: Sherri L. Cole, Finance Manager (A)

Lost or Stolen Voyager Cards

Management Response/Action Plan: The Tennessee District agrees with this recommendation. The audit revealed the Postmaster did submit the USPS Voyager Card Account Maintenance Request Form, but did not contact Voyager/US Bank by phone. The Voyager SOP defines the process to follow if a card is lost or stolen on page 16, section 5.2 Lost/Stolen Cards. The Postmaster has immediately addressed this issue with the staff at Germantown & will follow

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the SOP. In addition, the Tennessee District will reissue the Voyager SOP to all sites utilizing Voyager Cards to ensure they are aware of the need to immediately contact US Bank to deter potential fraudulent activity.

Target Implementation Date: August 5, 2016

Responsible Official: Sherri L. Cole, Finance Manager (A)

Recommendation 2: Reiterate the policy for the security and management of personal identification numbers.

PIN Security

Management Response/Action Plan: The Tennessee District agrees with the recommendation. During the audit, it was noted that a car wash local vendor was assigned a PIN from Germantown. This was a practice in place prior to the current Postmaster & has been resolved. The PIN assigned to the vendor has been cancelled & future transactions will be authorized by the Postmaster or her designee using their PIN. The Tennessee District will reissue the Voyager SOP to all Voyager sites in the district to reemphasize the need and importance of local PIN security & the potential liabilities.

Target Implementation Date: August 5, 2016

Responsible Official: Sherri L. Cole, Finance Manager (A)

Recommendation 3: Fully implement the fraud prevention controls to prevent transactions from exceeding the daily limit.

Missing Voyager Receipts

Management Response/Action Plan: The Tennessee District generally agrees with this recommendation. The Germantown Post Office has a local procedure where the Voyager Cards are checked in & out only for drivers who indicate they need fuel that day. At the time of checking the card back in, management requires the receipt be turned in as well, enabling management to either obtain the receipt or to require the driver to fill out a No Receipt form. The Voyager SOP on Page 13 covers transactions with no receipts. This is covered in Section 4.1 regarding the reconciliation process, which would occur at the end of the month when missing receipts would become apparent. A majority of offices do not have a check in, check out process like Germantown & would not be able to obtain the No Receipt form on the same day. The Tennessee District will reissue the Voyager SOP to all sites & ensure the SOP is followed in that every attempt will be made to secure a receipt from each driver for each transaction.

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Target Implementation Date: August 5, 2016

Responsible Official: Sherri L. Cole, Finance Manager (A)

Over Capacity Fuel Purchases

Management Response/Action Plan: During the period of the audit, there were a total of 12 fuel purchases that exceeded the 15 gallon tank capacity. These were outside of the 28 transactions that were a result of a skimming incident at a local gas station. At the time of the audit, the reconciliation process did not include verifying the gallons of fuel purchased, only the transaction amount to the receipt amount. The Tennessee District agrees with the recommendation & that it is necessary to review these transactions & to investigate questionable purchases. After discussions with Vehicle Maintenance Staff, the Tennessee District would also like to note that there are other factors which are not fraudulent in nature which could cause fueling to exceeding the tank capacity.

These factors include:

- 1) The fueling station hose can hold up to 1 gallon of fuel.
- 2) Drivers over fueling into the purge canister can hold up to ½ gallon of fuel
- 3) Fueling stations are not calibrated correctly, which could inaccurately record fuel amount.

Over fueling by drivers “topping off” the tank could potentially add an additional two gallons to the total fuel purchase.

To address the reconciliation process, the Tennessee District will reissue the Voyager SOP & the FAMS Reconciliation Guide to all field users.

Target Implementation Date: August 5, 2016

Responsible Official: Sherri L. Cole, Finance Manager (A)



David J. Dillman