



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

Monitoring of Government Travel Card Transactions in the Western Area

Management Advisory Report

December 9, 2013

Report Number DP-MA-14-001



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GENERAL**
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HIGHLIGHTS

December 9, 2013

Monitoring of Government Travel Card Transactions in the Western Area

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BACKGROUND:

The U. S. Postal Service uses the Government Services Administration SmartPay2® Program to administer the travel card program. Citibank, the Postal Service's travel card provider, issues VISA branded SmartPay2 cards to Postal Service employees for use while on official travel. Employees can use the card for transportation, lodging, and other travel related services when on official business. Postal Service policy states that employees may not use the government travel card for personal business and limits cash advances to \$50 per day of official travel.

Each Postal Service area and district office has a travel card coordinator to help administer the program. The coordinators monitor travel card transactions and identify unauthorized purchases and transactions that could indicate misuse or unusual activity.

There were 2,220 government travel cardholders in the Western Area that used their travel card from April 2012 through March 2013. This included 1,415 cash advances for about \$241,242 and 27,008 purchase transactions totaling about \$5 million. Our objective was to determine whether Postal Service travel card coordinators in the Western Area were effectively monitoring government travel card transactions.

WHAT THE OIG FOUND:

The Western Area travel card coordinators effectively monitored most government travel card transactions. However, travel card coordinators can better monitor cash advances. Specifically, we identified 157 instances totaling more than \$25,000 of inappropriate cash withdrawals for travel advances from April 2012 through March 2013. We referred some of these withdrawals to our office of investigations.

WHAT THE OIG RECOMMENDED:

The Western Area took corrective actions during the course of our review and therefore, this report does not contain any recommendations. Specifically, the Western Area distributed a *Citibank Travel Card Monitoring Standard Operating Procedure* to all travel card coordinators outlining coordinator duties and responsibilities. Additionally, the Postal Service provided Citibank Custom Reporting System training to all Citibank coordinators. The training included new reporting tools to aid travel card coordinators in monitoring cash advance and purchase transactions.

Management reviewed and agreed with this report and they are not required to comment on its contents since there were no recommendations.

[Link to review the entire report](#)



December 9, 2013

MEMORANDUM FOR: DREW T. ALIPERTO
VICE PRESIDENT, WESTERN AREA OPERATIONS

E-Signed by Inspector General
VERIFY authenticity with eSign Desktop

FROM: Darrell E. Benjamin, Jr.
Deputy Assistant Inspector General
for Revenue and Performance

SUBJECT: Audit Report – Monitoring of Government Travel Card
Transactions in the Western Area
(Report Number DP-MA-14-001)

This report presents the results of our review of the Monitoring of Government Travel Card Transactions in the Western Area (Project Number 13RG028DP000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Kevin H. Ellenberger, director, Data Analysis and Performance, 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 review of monitoring of government travel card transactions in the Western Area (Project Number 13RG028DP000). Our objective was to determine whether U.S. Postal Service travel card coordinators in the Western Area were effectively monitoring government travel card transactions. This review was self-initiated. See [Appendix A](#) for additional information about this review.

The Postal Service provides individual government travel cards to designated employees for use while on official travel. Postal Service policy governs employees' and is responsible for all charges and automated teller machine (ATM) withdrawals. However, using the government travel cards is governed by Postal Service policy.¹ This includes prohibiting employees from using the card for personal business.

The Western Area designated 13 Postal Service employees, one at the Western Area office and one in each district, as travel card coordinators to monitor the government travel card transactions of cardholders assigned to the Western Area.² To assist the travel card coordinators, Citibank® produces reports showing card activity. As of June 2013, travel card coordinators are responsible for reviewing Citibank reports for compliance with policies set forth in Handbook F-15. Using these reports, travel card coordinators are required to monitor government travel card purchase transactions for non-travel related activity or potential misuse and cash advances greater than \$50 per travel day. The travel card coordinators also examine transactions that indicate potential misuse by reviewing travel expense reports contained in the Postal Service eTravel³ system to determine if the transactions are related to official travel.

There were 2,220 government travel cardholders in the Western Area that used their travel card from April 2012 through March 2013. This includes 1,415 cash advance transactions for about \$241,242 and 27,008 purchase transactions totaling about \$5 million.

Conclusion

Western Area travel card coordinators effectively monitored most government travel card transactions. However, travel card coordinators can better monitor cash advances. Specifically, we identified 157 instances totaling \$25,430 of inappropriate cash withdrawals for travel advances from April 2012 through March 2013. We consider these cash withdrawals as other impact, see [Appendix B](#).

¹ Handbook F-15, *Travel and Relocation*, May 2011.

² The Western Area office is located in Denver, CO, and has 12 districts (Alaska, Arizona, Central Plains, Colorado-Wyoming, Dakotas, Hawkeye, Mid-America, Nevada-Sierra, Northland, Portland, Salt Lake City, and Seattle) with Citibank travel card coordinators.

³ eTravel is a Web-based system that automates the expense management process. The eTravel system enables Postal Service employees to manage their business travel expenses; create, review, and submit expense reports; and, access policy compliance information.

We are not making any recommendations in this report. Management agreed with this report and they are not required and did not choose to comment on its contents since there were no recommendations.

The corrective actions already taken during the review should resolve the issue identified, therefore, we made no recommendations in this report.

Monitoring of Cash Advances

Travel card coordinators can better monitor cash advances. Our review of 328 high risk cash advances⁴ identified 157 cash advances unrelated to official travel or in excess of the amount Postal Service policy allows.⁵ Specifically, we noted:

- 102 cash advances with no related official travel.⁶
- 51 cash advances where employees took cash in excess of the limit of (\$50 a day or \$350 a week).⁷
- Four instances where employees took their advance more than 5 days before the trip.⁸

Travel card coordinators were not aware of the indicators that would alert them to this potential misuse because they had not received official training until June 2013. In addition, some of the coordinators were new to the position and were not in place during the scope of our audit. As a result, we identified more than \$25,430 of inappropriate cash advances from April 2012 through March 2013 that the coordinators did not detect. This represents approximately 11 percent of all cash advances taken during this period.⁹ Monitoring travel card transactions, such as cash advances, reduces the risk of credit card delinquencies or negative publicity when employees use their travel card for personal reasons. In addition, abuse of the travel card could negatively impact the Postal Service's contractual relationship with Citibank.

The Postal Service began training travel card coordinators in May 2013 on their duties and responsibilities. The training provides the travel card coordinators access to electronic reports and tools that help identify misuse and unusual activity.¹⁰ Additionally, during our review, the Western Area distributed standard operating procedures for travel card coordinators to use when monitoring travel card usage for potential fraud or abuse.

⁴ These 328 travel cash advance transactions were from a travel advance report that listed travel advance transactions without an airfare or lodging charge during the associated travel period.

⁵ These cash advance transactions were made by 35 different employees.

⁶ Handbook F-15, Section 3-2.4, dated May 2011.

⁷ Handbook F-15, Section 4-2.1.2.

⁸ Handbook F-15, Section 4-2.3.2.

⁹ We referred certain instances of improper use of credit card transactions to our office of investigations.

¹⁰ The Postal Service has access to Citibank online automated tools to monitor cardholder transactions and manage compliance with Postal Service policies. Citibank refers to these tools as the Program Audit Tool which flags potential travel card misuse and fraud.

We believe these reports, tools, and procedures will enhance the travel card coordinators' ability to monitor travel card transactions, including cash advances.

Appendix A: Additional Information

Background

The Postal Service uses the Government Services Administration SmartPay2 Program to administer the travel card program.¹¹ Citibank, the Postal Service's travel card provider, issues VISA-branded SmartPay2 cards to Postal Service employees for use while on official travel. The travel cards also provide access to ATMs. The Postal Service established its policies for official business travel in Handbook F-15.

Employees can use individually billed¹² travel cards for transportation, lodging, and other travel related services when on official business. Postal Service policy states that employees may not use their official government travel card for personal business and limits cash advances to \$50 per day of official travel.

Each Postal Service area and district office has a travel card coordinator to help administer the program. Besides providing administrative support for employees, travel card coordinators monitor and identify unauthorized purchases (such as purchase of non-travel related items), inappropriate cash advances, and transactions that indicate misuse or unusual activity charged to the travel card.

Objective, Scope, and Methodology

Our objective was to determine whether Postal Service travel card coordinators in the Western Area were effectively monitoring government travel card transactions. To accomplish this objective:

- We reviewed the VISA IntelliLink¹³ report for high risk transactions from April 2012 through March 2013 to identify employees who potentially took ATM cash advances while not on official travel. We also tested for employees who withdrew excessive amounts of cash (over the allowable \$50 per day of official travel), and who made cash withdrawals more than 5 days before the start of their travel.
- We reviewed the Citibank transaction history report from April 2012 through March 2013 to identify employees who used their travel card for purchases of personal items while not on official travel.
- We interviewed all 13 Western Area travel card coordinators to determine their knowledge of the roles and responsibilities associated with monitoring government travel card transactions.

¹¹ Manages a set of master contracts through which agencies, including the Postal Service, can obtain credit cards for employees to accomplish their mission.

¹² Issued card to postal employee, the card is in their name, and charges are billed directly to them for payment.

¹³ A web-based information-services application that allows access to information that can improve misuse detection.

- We used the Postal Service eTravel system to research claims for travel reimbursement to determine whether employees were on official business during the period they made cash withdrawals and purchases using the travel card.
- We reviewed all cash advances to determine if any were made at gambling locations.

We conducted this review from July through December 2013, in accordance with the Council of the Inspectors General on Integrity and Efficiency, *Quality Standards for Inspection and Evaluation*. We discussed our observations and conclusions with management on November 25, 2013, and included their comments where appropriate.

We assessed the reliability of VISA IntelliLink and Citibank data by cross-validating purchase and advance transactions against official travel recorded in eTravel and used the responses of district travel card coordinators as additional validation. We determined that the data were sufficiently reliable for the purposes of this report. We also compared selected transactions to the eTravel system for accuracy and found the data to be reliable for our purposes.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Monitoring of Government Travel Card Transactions in the Northeast Area</i>	DP-MA-13-004	8/30/2013	None
<p>Report Results: The Northeast Area travel card coordinators were effectively monitoring government travel card transactions. We noted only minor instances of potential improper uses of the travel card. The report contained no recommendations.</p>			
<i>Monitoring of Government Travel Card Transactions in the Southern Area</i>	DP-MA-13-003	8/30/2013	None
<p>Report Results: The Southern Area travel card coordinators were effectively monitoring government travel card transactions. However, travel card coordinators can improve the monitoring of cash advances. Specifically, we identified 211 instances, totaling more than \$53,000, of inappropriate cash withdrawals for travel advances from April 2012 through March 2013. Management took corrective action during the audit as a result the report contained no recommendations.</p>			
<i>Travel Expense Reimbursements and Travel Card Usage</i>	FT-AR-12-014	9/27/2012	None
<p>Report Results: Postal Service employees improperly claimed expenses on their travel reimbursements and inappropriately used their travel card. Approving managers did not have a mechanism to adequately monitor travel card activity. Also, the Postal Service did not have clear instructions explaining how to handle canceled airfare expenses. As a result, the Postal Service was exposed to inappropriate or fraudulent activity that could negatively affect its reputation. Management agreed, in principle, with the recommendations.</p>			

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Compliance With Travel Policies and Opportunities for Cost Savings</i>	FF-AR-11-007	2/9/2011	\$1.2
<p>Report Results: Postal Service employees did not comply with prescribed travel policies resulting in excessive travel costs for lodging and airfare in fiscal years 2009 and 2010. We estimated the Postal Service could realize savings over 2 years by taking action to curtail employee noncompliance with travel policies. Further, the Postal Service did not cancel credit cards issued to former employees, including employees listed as deceased in employee records. Management agreed with the findings and monetary impact and agreed, in principle, with the recommendations.</p>			

Appendix B: Other Impact

Finding	Impact Category	Amount
Monitoring of Cash Advances	Goodwill Branding ¹⁴	157 instances valued at \$25,430

We identified 157 instances, totaling \$25,430 of inappropriate cash withdrawals for travel advances from April 2012 through March 2013.

¹⁴ An actual or potential event or problem that could harm the reputation of the Postal Service.