



AUDIT REPORT

Voyager Card Transactions - Elizabeth, NJ, Post Office

February 10, 2021



Report Number 21-066-R21



February 10, 2021

MEMORANDUM FOR: MICHAEL DEIGNAN
MANAGER, NORTHERN NEW JERSEY DISTRICT

Michelle Lindquist

FROM: Michelle Lindquist
Director, Financial Controls

SUBJECT: Audit Report – Voyager Card Transactions - Elizabeth, NJ,
Post Office (Report Number 21-066-R21)

This report presents the results of our audit of Voyager Card Transactions - Elizabeth, NJ, Post Office.

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: Postmaster General
Corporate Audit and Response Management

Background

This report presents the results of our self-initiated audit of Voyager Card Transactions - Elizabeth, NJ, Post Office (Project Number 21-066). The Elizabeth, NJ, Post Office is in the Northern New Jersey District of the Northeast Area.¹ This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

Every Postal Service-owned vehicle is assigned a Voyager credit card that is used to pay for its commercially purchased fuel, oil, and routine maintenance. U.S. Bank is responsible for operating the program, and Voyager² provides a weekly electronic transaction detail file of all Voyager card transactions to the Postal Service's Fuel Asset Management System (FAMS)³ eFleet application.⁴ Site managers are responsible for monitoring Voyager card transactions in the FAMS eFleet application. FAMS provides a monthly Reconciliation Exception Report, capturing only transactions that are categorized as high-risk, which may be the result of fraudulent activity. Each month, the Postal Service site manager⁵ is responsible for ensuring that their driver receipts are reconciled in FAMS. The review is critical since the Postal Service automatically pays U.S. Bank weekly for all Voyager card charges.

Transactions marked as high-risk in FAMS could be due to gallons of fuel purchased exceeding the allowed maximum amount for the vehicle, unleaded super and plus fuel purchase, and potential sharing of personal identification numbers (PIN). These are an indication of questionable transactions signifying a high risk of fraud.

The U.S. Postal Service Office of Inspector General (OIG) used data analytics to identify offices with potentially fraudulent Voyager card activity. The Elizabeth, NJ, Post Office had 1,826 transactions at risk from April 1, through September 30, 2020 totaling \$55,876. This included 541 Voyager card fuel purchases conducted by one employee's PIN valued at \$17,340 and FAMS marked 348 transactions as high risk. This was the highest level of fuel purchases on one card in the Northeast Area.

Objective, Scope and Methodology

The objective of this audit was to determine whether Voyager card PINs were properly managed and Voyager card transactions were properly reconciled at the Elizabeth, NJ,

¹ Northern New Jersey District was in the Northeast Area for most of our scope period for this audit. In August 2020, Postal Service reorganized, and it is now in the Atlantic Area.

² Voyager Fleet Systems, Inc., owned by U.S. Bank, is the contractor for the program.

³ A cost management tool used for managing and controlling fuel costs.

⁴ 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.

⁵ Manager of an operation to which the vehicles are assigned and has the responsibility for Voyager card reconciliation and fraud prevention.

Post Office. The scope of this audit included the Voyager card activity reconciliation process and management of Voyager card PINs from April through September 2020.

To meet our objective, we analyzed Voyager card transactions in FAMS, and randomly sampled 126 out of 348 high-risk transactions that required review relating to fuel purchased that exceeded the maximum allowed amount for the vehicle.

We relied on computer-generated data from FAMS. We did not test the validity of controls over this system. However, we verified transactions generated by FAMS against available on-site supporting documentation and interviewing unit management responsible for the process. We determined the data were sufficiently reliable for the purposes of this report.

We conducted this audit from December 2020 through February 2021, 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 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 February 2, 2021 and included their comments where appropriate.

Finding #1: Management of Voyager Card PINs

Voyager card PINs were not properly managed at the Elizabeth, NJ, Post Office. Specifically, one employee's PIN was used for 541 transactions valued at \$17,340 during the scope period. In addition, two former employees had active PINs that were still being used at the unit for 11 transactions valued at about \$240. Further, we identified eight employees that had multiple PINs.

The newly appointed Officer-In Charge (OIC) was unaware of procedures pertaining to updating and deactivating Voyager card PINs and neither the OIC or the customer service supervisor was aware of how the PIN sharing occurred. The OIC stated there has been constant change with several different OICs in the last four years that probably created a problem with the security and updating of Voyager card PINs, including problems with deactivating PINs no longer in use, and those with multiple PINs. Further, the OIC, customer service supervisor, and backup reconciler have not taken the required online *eFleet Card for site Manager Training*.⁶

Postal Service policy⁷ states it is the responsibility of the site manager to keep their driver PINs up to date and verify that information is accurate and complete. When an employee leaves the Postal Service or is transferred to a different unit, the PIN must be

⁶ *Voyager Fleet Card Standard Operating Procedures (SOP)*, November 2016, Section 1.4. Training and Accountability.

⁷ *Voyager Fleet Card SOP*, Section 2.2.2 PIN Management.

terminated. In addition, the site manager must assign new employees that need a PIN, a PIN from the list, and submit notification of the driver's name to Voyager fleet card services. Further, site managers are responsible for securing all PIN lists and maintaining appropriate security to avoid the possibility of fraud or misuse related to potential PIN compromise.

When Voyager card PINs are not managed properly, they could be used to make unauthorized and improper purchases. Further, when PINs are shared and unsecured by employees, it might lead to possibility of fraud. We consider the 552 transactions valued at \$17,580⁸ as disbursements at risk.⁹ We referred this issue to the OIG's Office of Investigations.

As a result of our audit, management updated the PIN list to remove the multiple PINs including deactivating the comprised PIN that was shared and deleting duplicate PINs that were assigned.

Recommendation #1: We recommend the Manager, Northern New Jersey District, instruct management to implement corrective action to (1) assign all employees Personal Identification Numbers (PIN) for Voyager card transactions (2) secure PIN list and maintaining appropriate security to avoid fraud or misuse related to potential PIN compromise.

Recommendation #2: We recommend the Manager, Northern New Jersey District, instruct management at the Elizabeth Post Office to complete *eFleet Card for Site Manager Training*.

Finding #2: Voyager Card Reconciliation

Unit management did not always properly reconcile Voyager card transactions. Specifically, of the 126 high-risk transactions selected for review (relating to gallons of fuel purchased that exceeded the maximum allowed amount for the vehicle) totaling \$16,181 we identified:

- 43 of 126 transactions, totaling \$1,931, did not have receipts to properly support fuel purchases. Postal Service policy¹⁰ states every attempt should be made to secure a receipt for each transaction. In cases where a receipt is not received, the manager must contact the appropriate individual to research and determine if the purchase

⁸ The total is made up of 541 transactions valued \$17,340 for unit manager PIN and 11 transactions valued at about \$240 for the former employees' PINs.

⁹ Disbursements made where proper Postal Service internal controls and processes were not followed.

¹⁰ *Voyager Fleet Card SOP*, Section 4.1. Responsibilities.

was legitimate, annotate the review results with a comment within FAMS, and obtain from the individual hard copy documentation certifying the charge.

- Unit management did not submit to U.S. Bank *USPS Voyager Account Dispute Forms* or keep on file the monthly payment reconciliation reports. Postal Service policy¹¹ requires site managers submit the *USPS Voyager Account Dispute Form* to Voyager and file a dispute within 30 days from when the first charge appears. Policy¹² also requires the unit to retain payment reconciliation records for two years.
- Unit management did not notify the OIG of potential fraud or misuse. Policy¹³ also states managers must notify the OIG of potential fraud or misuse.

Postal Service management stated they performed monthly reconciliations and flagged questionable transactions; however, they were not aware that a dispute form needed to be filed with Voyager Fleet Services. In addition, management kept receipts but did not pursue when receipts were not submitted. Further, they were not aware the monthly reconciliation reports needed to be printed and kept on file or that the OIG needed to be notified. As discussed previously, there has been frequent turnover in management at this unit and it has created inherited issues in the Voyager Card reconciliations. Management stated they have been at this facility for less than a year and have not had the opportunity to correct the issues with the Voyager Cards or to take training.

When Voyager card transactions are not properly reconciled, supporting documentation is not maintained, and transactions are not properly disputed there is an increased risk that the Postal Service will not identify unauthorized purchases. In addition, maintaining these records provides accountability of Voyager card transactions. Further, notifying the OIG can help identify systemic and fraudulent activity and potential areas for postal-wide reviews.

Recommendation #3: We recommend the Manager, Northern New Jersey District, reiterate the requirement to retain documentation for two years including the receipts, monthly reconciliation report, *USPS Voyager Account Dispute Forms*, and other documentation that supports disputes with U.S. Bank for all potentially fraudulent transactions.

Management's Comments

Management agreed with recommendations 1, 2, and 3.

Regarding recommendation 1, as stated in the report, management reiterated that the PIN list has been updated to remove the multiple PINs; including deactivating the comprised PIN

¹¹ *Voyager Fleet Card SOP*, Section 4.1. Responsibilities

¹² *Voyager Fleet Card SOP*, Section 5.1. Disputes.

¹³ *Voyager Fleet Card SOP*, Section 4.1. Responsibilities.

that was shared and deleting duplicate PINs that were assigned. In addition, the current PIN list is now kept secured with access limited to trained and approved Voyager Site-Managers. In addition, Northeast Area OIG Field Office Special Agent reviewed the disbursement at risk findings and provided a summary that did not require a District official response. These were completed on February 4, 2021. Further, District Finance will perform a follow-up review at the Elizabeth Main Post Office in six months to assess Voyager eFleet internal controls to ensure ongoing compliance.

Regarding recommendation 2, management provided applicable training records showing completion of training on February 5, 2021 for Elizabeth, NJ, Post Office management. Regarding recommendation 3, the District Finance Manager drafted and disseminated mandatory stand-up talk to all District Executive Administration Schedule employees on Voyager Fleet Card Policy. Included in the same email was the Voyager Fleet Card Policies SOP Guide on February 6, 2021.

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

Evaluation of Management's Comments

The OIG considers management's comments responsive to the findings and recommendations in the report. The corrective actions taken should resolve the issues identified in the report.

We reviewed management's subsequent documentation and found it adequate to resolve the issues identified in this report. We consider recommendations 1, 2 and 3 closed with the issuance of this report.

APPENDIX A. MANAGEMENT'S COMMENTS



February 9, 2021

JOSEPH WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Report - Voyager Card Transactions - Elizabeth, NJ Post Office
(Project Number 21-066-DRAFT)

Thank you for the opportunity to respond to the Office of Inspector General (OIG) Draft Report – Voyager Card Transactions - Elizabeth, NJ, Post Office (Project Number 21-066)

Management has reviewed and agree with the findings and recommendations noted in the audit report.

Our response to the Recommendations are as follows:

Recommendation #1:

We recommend the Manager, Northern New Jersey District, instruct management to implement corrective action to (1) assign all employees Personal Identification Numbers (PIN) for Voyager card transactions (2) secure PIN list and maintaining appropriate security to avoid fraud or misuse related to potential PIN compromise.

Management Response/Action Plan:

Management agrees with this recommendation and disbursements at risk findings. Immediate actions were taken while OIG Auditors were still on site to begin remediation of this identified risk. Management updated the PIN list to remove the multiple PINs; including deactivating the comprised PIN that was shared and deleting duplicate PINs that were assigned. New PIN numbers were assigned to Elizabeth employees. The current PIN list is now, and will remain, locked in the [REDACTED] with access availability limited to trained and approved Voyager Site-Managers. Northeast Area OIG Field Office Special Agent reviewed the disbursements at risk findings and provided a summary that did not require a District official response. District Finance will perform a follow-up review at the Elizabeth Main Post Office in six months to assess Voyager eFleet Internal Controls to ensure ongoing compliance.

Management requests this recommendation be closed with the issuance of final report.

Target Implementation Date:

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Completed 2/4/2021

Responsible Official:
Postmaster – Elizabeth Main Post Office

Recommendation #2:
We recommend the Manager, Northern New Jersey District, instruct management at the Elizabeth Post Office to complete *eFleet Card for Site Manager Training*.

Management Response/Action Plan:
Management agrees with this recommendation. The Elizabeth PO OIC and two EAS Managers have completed the eFleet Card Site Manager Training. These managers now serve as the Voyager Site-Managers for oversight with PIN and Voyager Reconciliations.

Management requests this recommendation be closed with the issuance of final report.

Target Implementation Date:
Completed 2/5/2021

Responsible Official:
Manager, Post Office Operations - Group A

Recommendation #3:
We recommend the Manager, Northern New Jersey District, reiterate the requirement to retain documentation for two years including the receipts, monthly reconciliation report, *USPS Voyager Account Dispute Forms*, and other documentation that supports disputes with U.S. Bank for all potentially fraudulent transactions.

Management Response/Action Plan:
Management agrees with this recommendation. District Finance Manager drafted and disseminated to all District EAS employees a mandatory stand-up talk on Voyager Fleet Card Policy. Included in the same email was the Voyager Fleet Card Policies SOP Guide.

Management requests this recommendation be closed with the issuance of final report.

Target Implementation Date:
Completed 2/6/2021

Responsible Official:
Manager, District Finance

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Michael Deignan
District Manager Northern NJ District

cc: VP Area Operations (Atlantic)
Controller (Northeast)
Area Accounting Manager (Northeast)
Manager, Corporate Audit Response Management
Manager, District Finance (Northern NJ)