



March 21, 2008

ALL AREA VICE PRESIDENTS

SUBJECT: Audit Report – Voyager Card Program
(Report Number CA-AR-08-006)

This report presents the results of our audit of internal controls over the Voyager Card Program (Project Number 06YG043CA005). The report responds to a request from the Postmaster General to review the U.S. Postal Service's Voyager Card Program and summarizes the results of our Voyager Card internal control reviews at 10 Postal Service sites. Our overall objective was to determine whether the Postal Service implemented effective controls over the use of Voyager Cards. We will continue to review Voyager Card purchases as part of our continuous financial auditing efforts and as part of our financial installation audits. See [Appendix A](#) for additional information about this audit.

Conclusion

At nine of the 10 sites visited,¹ Postal Service officials did not implement effective controls over the security and use of Voyager Cards. Specifically, we found that officials did not always implement the Voyager Card controls prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*. We identified multiple control weaknesses affecting the Postal Service's Voyager Card Program as discussed below. Nationally, in fiscal year (FY) 2007, the Web Enterprise Information System (WebEIS) identified 220,344 transactions totaling \$13.7 million as non-reconciled transactions. These amounts are understated because we noted sites that were marking transactions as reconciled when actual reconciliations had not been performed. If transactions have not been properly reconciled, there is greater potential for fraud, waste, and abuse. We will report the \$13.7 million in non-reconciled transactions as assets at risk in our *Semiannual Report to Congress*. See [Appendix C](#) for calculation of assets at risk by Postal Service area.

¹ At the Denver Vehicle Maintenance Facility (VMF), Voyager Card internal controls were implemented and responsible personnel followed prescribed guidance. In addition, the Denver VMF provided effective management oversight and file maintenance of their Voyager Card Program.

Voyager Card Control Weaknesses

We identified control weaknesses in the following areas at the nine sites:

- Training
- Reconciliations
- Voyager Card security
- Personal identification number (PIN) security
- Missing receipts
- Segregation of duties
- Vehicle numbers
- File administration and record retention

These control weaknesses occurred primarily because responsible individuals did not provide adequate oversight of their Voyager Card Program. While we did not identify any fraudulent Voyager Card transactions,² the Postal Service sites were at greater risk of fraud, waste, and abuse because required internal controls for the Voyager Card Program were not in place. See [Appendix B](#) for our detailed analysis of the issues.

We recommend the Area Vice Presidents:

1. Reiterate to district personnel the importance of complying with Voyager Card policies and procedures prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*.
2. Direct district personnel to provide sufficient oversight of their Voyager Card Programs by:
 - Ensuring all responsible personnel have completed the online Voyager Card training.
 - Ensuring each applicable site properly performs Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.
 - Ensuring all Voyager Cards, including Z Cards, are adequately secured.
 - Maintaining current master personal identification number lists.
 - Ensuring all master personal identification number lists are adequately secured.
 - Ensuring personal identification numbers are kept private and secure.

² We did not identify fraudulent transactions; however, we were unable to locate receipts to support 77 transactions.

- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.

Management's Comments

Management agreed with the findings and recommendations. The areas reiterated the importance of complying with Voyager Card policies and procedures and directed district personnel to provide sufficient oversight of their Voyager Card Programs.

Five areas concurred with the assets at risk; three did not comment on them; and the Great Lakes Area stated that, based on historical experience, the amount of non-reconciled transactions we are reporting as assets at risk is overstated. Management's comments are included in [Appendix D](#).³

Evaluation of Management's Comments

The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to the recommendations and the corrective actions should resolve the issues identified in the findings. We believe the 220,344 transactions totaling \$13.7 million were at an increased risk of loss due to inadequate internal controls. Therefore, we believe these assets were at risk and will report them as such. The OIG considers all the recommendations significant, and therefore requires OIG concurrence before closure. All of the areas, except for the Great Lakes and Pacific Areas, have already taken the necessary corrective actions. Consequently, the OIG requests written confirmation when the Great Lakes and Pacific Areas' corrective actions are completed. These recommendations should not be closed in the follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

³ Management's comments do not include their related attachments. We will provide these upon request.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Judy Leonhardt, Director, Supply Management, or me at (703) 248-2100.

E-Signed by Darrell E. Benjamin, 
VERIFY authenticity with ApproveIt

Darrell E. Benjamin, Jr.
Deputy Assistant Inspector General
for Support Operations

Attachments

cc: Patrick R. Donahoe
H. Glenn Walker
William P. Galligan, Jr.
Susan M. Brownell
Jordan M. Small
Katherine S. Banks

APPENDIX A: ADDITIONAL INFORMATION

BACKGROUND

Postal Service employees use the Voyager Card to pay for fuel, repairs, and maintenance for Postal Service-owned vehicles. The government-wide General Services Administration's SmartPay Program administers Voyager Cards to simplify payment for vehicle fuel and services. Since January 2000, the Postal Service's SmartPay contractor has been U.S. Bank Voyager Fleet Systems, Incorporated (Voyager). The Postal Service has issued approximately 250,000 Voyager Cards nationwide as of September 2006. During FY 2007, there were nearly 9.3 million Voyager Card transactions totaling approximately \$389.3 million.

Management assigns a Voyager Card to each Postal Service vehicle with the vehicle number listed on the front of the card. Management also issues each vehicle operator their own unique PIN, which they can use to authorize purchases on any Voyager Card.

Each facility with Postal Service-owned vehicles has a designated site manager. The site manager is responsible for ensuring appropriate employees at the site have access to the eFleet Card System (eFCS) and for taking Voyager Card training. Once a month, the site manager or other designated individual is required to reconcile accounts online in the eFCS. To reconcile accounts, receipts must be matched against the eFCS invoice report. The site manager should print the invoice report from the eFCS, file it with all supporting documentation, and maintain the paperwork for 2 years after the online reconciliation is complete.

The Postal Service uses WebEIS as a management tool to identify sites that are delinquent in performing Voyager Card reconciliations. WebEIS reports data from eFCS 60 days after the close of the month. Transactions that are subsequently reconciled continue to be shown as non-reconciled within WebEIS.

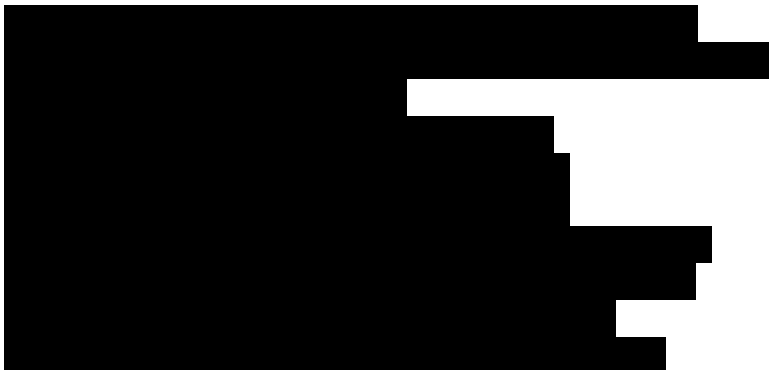
Management must investigate questionable transactions⁴ appearing in the eFCS invoice report data. Site managers should contact the OIG or management if they suspect fraud or misuse.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our overall audit objective was to determine whether the Postal Service implemented effective controls over the use of Voyager Cards. Specifically, we determined whether managers established appropriate card procedures, reviewed and reconciled accounts monthly, and properly investigated and resolved questionable transactions. We also determined the propriety of Voyager Card purchases.

⁴ The eFCS identifies certain transactions as questionable. Examples of questionable transactions include premium fuel purchases, food purchases, and fuel purchases exceeding tank capacity.

To accomplish our objectives, we reviewed Postal Service Voyager Card policies and procedures. We visited the following sites:



We judgmentally selected sites 1 and 2 above in coordination with Postal Service officials. We based the site selections for the other eight sites on reconciliation data obtained from WebEIS.⁵ Specifically, we judgmentally selected four sites that appeared to be routinely performing timely Voyager Card reconciliations (sites 3 thru 6 above) and four sites that appeared to be not routinely performing timely Voyager Card reconciliations (sites 7 thru 10 above). During these site visits, we interviewed managers and employees, observed and tested the security over Voyager Cards and PINs, and reviewed supporting documentation for selected Voyager Card transactions.

We conducted this series of performance audits from November 2006 through March 2008 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 audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management officials on February 15 and February 27, 2008, and included their comments where appropriate. We relied on data obtained from the Postal Service's eFCS and WebEIS. We did not test the validity of controls over these systems. However, we did obtain source documentation, which validated the data from the eFCS. WebEIS is a management tool that pulls data from the eFCS at a point in time. Nothing came to our attention that suggested the data we used was unreliable.

⁵ The reconciliation data obtained was for accounting periods 1-6 (October – March) of FY 2007.

PRIOR AUDIT COVERAGE

Report Title	Report Number	Final Report Date
<i>Voyager Card Program – [REDACTED] Florida Station and [REDACTED], Florida Main Office Station</i>	CA-AR-08-005	February 29, 2008
<i>Voyager Card Program – [REDACTED], Louisiana Station and [REDACTED], Louisiana Downtown Station</i>	CA-AR-08-004	December 31, 2007
<i>Voyager Card Program – [REDACTED] and [REDACTED], California Post Offices</i>	CA-AR-08-003	November 16, 2007
<i>Voyager Card Program – [REDACTED], Colorado Vehicle Maintenance Facility and [REDACTED], Colorado Post Office</i>	CA-AR-08-001	October 19, 2007
<i>Voyager Card Program – [REDACTED] and [REDACTED] Branches of the Harrisburg, Pennsylvania Post Office</i>	CA-AR-07-006	July 9, 2007

The reports detail weaknesses which are described in [Appendix B](#). Management agreed with our findings and recommendations in each report.

APPENDIX B: DETAILED ANALYSIS OF VOYAGER CARD CONTROL WEAKNESSES

Training

At five of the 10 sites, individuals responsible for performing the monthly Voyager Card reconciliations had not taken the required Voyager Card training. Postal Service policy⁶ states that any individual responsible for reconciling Voyager Card activities must take the training. This condition occurred because individuals were not aware of the training requirement.

Reconciliations

At six of the 10 sites, Postal Service officials did not routinely perform reconciliations. In addition, some sites performed reconciliations without all required receipts or invoices. Postal Service policy⁷ states that, at least monthly, the site manager or other responsible party will reconcile accounts online, print the account summary (or invoice report), and file it with all receipts and invoices for 2 years. Postal Service officials did not routinely perform or inadequately performed reconciliations for the following reasons:

- High employee turnover.
- Insufficient time and/or conflicting job responsibilities.
- No staff to whom to delegate the responsibility.
- Insufficient program oversight.

Voyager Card Security

At four of the 10 sites, Postal Service officials did not adequately secure Voyager Cards. Cards were left in unattended vehicles and in other locations with unrestricted access, which was readily accessible by employees. Postal Service policy states⁸ that site managers are responsible for securing the cards. It also states that cards should not be left in unattended vehicles or in locations with unrestricted access. This condition occurred primarily because of insufficient management oversight.

⁶ *Site Fleet Card Guide*, April 2004, Section 1.4, Training and Accountability Certification.

⁷ *Voyager Handbook*, Overview, January 2000.

⁸ *Site Fleet Card Guide*, Section 1.3, Site Manager; and *Voyager Handbook*, Vehicle Cards, Security.

Additionally, at five of the 10 sites, Postal Service officials did not adequately secure their site's Z Card.⁹ Specifically, at three of the sites the Z Card was stored in the reconciling official's unlocked desk drawer, which was accessible by employees. At another site, the Z Card was stored in a locked room; however, cleaning staff had a key to the room. At the last site, the vehicle operations maintenance assistant kept the Z Card in his wallet and would take the card home with him every day. Postal Service policy¹⁰ states that site managers are responsible for securing the cards. It also states that cards should not be left in locations with unrestricted access and are never to be carried by off-duty personnel. This condition occurred primarily because:

- Personnel were unaware of the requirement to secure the Z Card.
- The reconciling official believed the Z Card did not need to be secured since the other employees did not know the card existed or where the card was stored.
- Management oversight was insufficient.

PIN Security

At nine of the 10 sites, Postal Service officials did not maintain a current master PIN list. Specifically, 102 of 1,059 individuals on the lists had active PINs, but were no longer Postal Service employees or were no longer assigned to the site. In addition, management assigned two PINs each to 12 individuals and one PIN to a vendor. Postal Service policy¹¹ states that site managers must notify Voyager when an employee is no longer assigned to their site or when an employee needs to be added to the roster. It also states that if an employee leaves the Postal Service, management must notify Voyager to cancel the employee's PIN. This condition occurred primarily because Postal Service officials did not closely monitor the master PIN lists due to time constraints and other duties that took priority.

Additionally, at two of the 10 sites, Postal Service officials did not adequately secure their master PIN list. At one site, the reconciling official stored the master PIN list in a desk drawer where access was not limited. At the other site, the station manager maintained the master PIN list on a shared network drive where access was also not limited. Postal Service policy¹² states the site manager is responsible for the security of the site's PIN list. This condition occurred because Postal Service officials were unaware of the requirement to maintain the master PIN list in a secure location or did not realize the shared drive was an inappropriate place to store the master PIN list.

⁹ Management issues Z Cards to the finance number of the site; these cards are used to pay for washing numerous vehicles at the same time and to temporarily pay for fuel or repairs for vehicles with lost, stolen, or damaged Voyager Cards.

¹⁰ *Site Fleet Card Guide*, Section 1.3, Site Manager; and *Voyager Handbook*, Vehicle Cards, Security.

¹¹ *Voyager Handbook*, Personal Identification Numbers Section, Security.

¹² *Voyager Handbook*, Personal Identification Numbers Section, Overview.

Furthermore, at four of the 10 sites, employees did not keep PINs private and secure. For example, at the four sites we examined 151 Voyager Cards and identified 13 PINs that were either written on the back of a Voyager Card or written on a piece of paper and stored with a Voyager Card. Postal Service policy¹³ states that employees must keep PIN information separate from the cards. PIN information is personal and confidential and personnel should keep their PINs private and secure. This situation occurred because mail carriers said they had difficulty remembering their PINs and did not know it was against policy to write their PINs down and store them with a Voyager Card.

Missing Receipts

At eight of the 10 sites, Postal Service officials did not always maintain receipts for Voyager Card purchases. Specifically, receipts were missing for 77 of the 408 transactions we reviewed. These transactions with missing receipts were valued at \$6,105. Postal Service policy¹⁴ states a receipt or invoice must accompany every card purchase. When a receipt or invoice is missing, the site manager must contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years. This condition occurred primarily because reconciliations were not completed; therefore, reconciling officials were not aware that receipts were missing. In addition, files were not well organized and, as a result, receipts were likely misplaced or lost.

Segregation of Duties

At three of the 10 sites, segregation of duties control weaknesses existed. Specifically, at two sites, the reconciling officials reconciled 41 of their own purchases totaling \$7,244. At another site, there was only one person with eFCS access to perform reconciliations. If reconciliations had been performed at this site, the reconciling official would have reconciled her own purchases. This condition occurred because Postal Service policy does not require a higher authority to review or reconcile the Voyager Card purchases of individuals. However, the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government*, dated November 1999, states that management should segregate the responsibility for authorizing and reviewing transactions among different employees. The GAO standard also states that when one individual controls all aspects of a transaction, the risk of fraud or error increases.

¹³ *Voyager Handbook*, Personal Identification Numbers Section, Security.

¹⁴ *Voyager Handbook*, Overview; and *Site Fleet Card Guide*, Section 4.1, Reconciliation Process.

Vehicle Numbers

At six of the 10 sites, employees did not always write the vehicle number on receipts. Postal Service policy¹⁵ requires the vehicle number to be written on all receipts and invoices for tracking purposes. This condition occurred because reconciling officials:

- Had other duties that took priority.
- Were unaware of the requirement.
- Were not aware of the condition because they were not routinely performing reconciliations.

File Administration and Record Retention

At nine of the 10 sites, file administration and record retention were inadequate. Files at one location, for example, were stored in boxes on the floor. (See Exhibit 1 below.) Other sites stored receipts and invoices in manila envelopes or boxes, most of which were in no particular order. In addition, the eFCS report was not printed and maintained with the supporting documentation as required. Postal Service policy¹⁶ recommends management use an accordion-style file folder that can accommodate all receipts and invoices for an entire month. The file can be arranged by vehicle number or day of the month. Each month, management should gather the receipts and place them in a suitable file folder for the 2-year retention period. Postal Service policy¹⁷ also requires the responsible party to reconcile accounts online at least monthly, print the account summary (invoice report), and file it with all receipts and invoices for 2 years. This situation occurred because reconciling officials did not always routinely perform reconciliations or were not aware of the requirement to print and retain the reconciliation reports for 2 years. In addition, personnel turnover, other duties taking priority and, at one location, Hurricane Katrina contributed to inadequate file administration and record retention.

¹⁵ *Voyager Handbook, Overview.*

¹⁶ *Voyager Handbook, Keeping Record.*

¹⁷ *Voyager Handbook, Overview.*

Exhibit 1. Voyager Card file system at one site.



Exhibit 2. Summarization of weaknesses noted by site.

	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Weakness										
The individual responsible for reconciling Voyager Card transactions at the site did not take the required training.	X	X		X			X			X
The site did not always perform or properly perform Voyager Card reconciliations.					X	X	X	X	X	X
The site did not adequately secure Voyager Cards.	X	X		X			X			
The site did not adequately secure Z Cards.		X		X	X	X				X
The site did not maintain a current master PIN list.	X	X		X	X	X	X	X	X	X
The site did not adequately secure the master PIN list.		X		X						
The site did not keep PINs private and secure.	X	X		X					X	
The site did not always maintain receipts for Voyager Card purchases.	X	X			X	X	X	X	X	X
The site did not segregate the reconciling function from the purchasing function.				X	X		X			
The site did not always write the vehicle number on receipts.	X	X			X	X	X	X		
The site did not maintain organized Voyager Card files and/or records were missing.	X	X		X	X	X	X	X	X	X

**APPENDIX C: CALCULATION OF ASSETS AT RISK –
FY 2007 NON-RECONCILED TRANSACTIONS**

Area	Number of Transactions	Amount
Capital Metro	5,726	\$194,448
Eastern	3,186	174,233
Great Lakes	46,178	2,678,018
New York Metro	35,105	2,420,666
Northeast	7,704	326,684
Pacific	49,101	3,047,144
Southeast	15,302	2,322,817
Southwest	58,305	2,563,164
Western	7	2,028
Totals	220,344	\$13,729,202

APPENDIX D: MANAGEMENT'S COMMENTS

TIMOTHY C. HANEY
VICE PRESIDENT, AREA OPERATIONS
NORTHEAST AREA



March 10, 2008

DARRELL E. BENJAMIN, JR
DEPUTY ASSISTANT INSPECTOR GENERAL FOR SUPPORT OPERATIONS

SUBJECT: Draft Audit Report-Voyager Card Program
(Report Number CA-AR-08-DRAFT)

We agree with the recommendations and concur with the \$326,684 reported as non-monetary impact. In response to these recommendations, I issued a letter to the District and Lead Plant Managers on March 7, 2008 directing them to:

1. Reiterate the importance of complying with Voyager Card policies and procedures.
2. Direct district personnel to provide sufficient oversight of their Voyager Card Programs.

A copy of the letter is attached.

I am confident that this will correct the control weaknesses identified and ensure the integrity of the Voyager Card Program.

A handwritten signature in blue ink that reads "Timothy C. Haney".

Timothy C. Haney

Attachments

cc: Elizabeth A. Doell, Manager, Finance NEA
William F. Doran, Manager, Delivery Program Support NEA
Richard P. Uluski, Manager, Operations Support NEA
Katherine S. Banks, Manager, Corporate Response and Audit HQ

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SYLVESTER BLACK
VICE PRESIDENT, WESTERN AREA OPERATIONS



March 10, 2008

Johnson John
Acting Director, Audit Reporting
1735 North Lynn Street
Arlington, VA 22209-20202

SUBJECT: Voyager Card Program Report Number CA-AR-08-DRAFT

The Western Area has thoroughly reviewed the subject report and is in complete agreement with the monetary findings of \$2,028 at risk for seven non-reconciled transactions.

Recommendation #1: Reiterate to District personnel the importance of complying with Voyager Card policies and procedures prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*.

Response: The attached memorandum reinforcing the need for effective program oversight was sent March 7, 2008 to the Western Area District Managers, Area executive staff and District Finance Managers. We will continue to maintain a proactive approach to ensure the Voyager Card program is successfully managed in the Western Area.

Recommendation #2: Direct District personnel to provide sufficient oversight of their Voyager Card Programs by:

- Ensuring all responsible personnel have completed the online Voyager Card training.
- Ensuring each applicable site properly performs Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.
- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personal identification number lists.
- Ensuring all master personal identification number lists are adequately secured.
- Ensuring personal identification numbers are kept private and secure.

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- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for two years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for two years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.

Response:

Linda Rae Wheeler, Area Manager, Administrative Support Services, is scheduling a telecon for the week of March 10. This will be held with all District Voyager Coordinators and will outline the Western Area's expectations of full compliance with each of the above requirements.

Douglas G. Germer, Western Area Accounting Manager, will take the lead in requesting that District Financial Control and Support conduct monthly reviews of Voyager Card activity to maintain a focus on the overall program, to validate reconciliation activity, and to ensure all program requirements are met. These reviews will begin this month and each component of the second recommendation will be addressed.

We do not believe there is any Freedom of Information Act exempt information in the draft report or our response.



Sylvester Black

Attachment

ELLIS A. BURGOYNE
VICE PRESIDENT, SOUTHWEST AREA OPERATIONS



March 11, 2008

John Johnson
(A) Director, Audit Reporting
Office of Inspector General
United States Postal Service

SUBJECT: Draft Audit Report – Voyager Card Program (Report Number CA-AR-08-DRAFT)

Having reviewed the above referenced report, including your recommendations for correcting Voyager Card Control Weaknesses, we are in concurrence with the findings, Southwest Area's share (\$2,563,164) of the monetary impact in unreconciled transactions, and of both recommendations as follows:

RECOMMENDATION 1: Reiterate to district personnel the importance of complying with Voyager Card policies and procedures prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*.

RESPONSE: Management concurs; compliance with the policies and procedures prescribed in the *Voyager Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook* will be accomplished.

COURSE OF ACTION: The Vice President Southwest Area, has generated a letter of instruction to District Managers reiterating the importance of compliance with all policies and procedures prescribed in the *Voyager Site Fleet Card Guide* and *Voyager handbook*. A suspense of thirty days is given, upon receipt of the letter, for districts to achieve compliance.

RECOMMENDATION 2: Direct District personnel to provide sufficient oversight of their Voyager Card programs by:

- Ensuring all responsible personnel have completed the online Voyager Card Training.
- Ensuring each applicable site properly performs Voyager Card reconciliation monthly. This includes maintaining documentation to support reconciliation shown as complete in the eFleet Card System.
- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personnel identification number lists.

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-2-

- Ensuring all master personnel identification number lists are adequately secured.
- Ensuring personnel identification numbers are kept private and secure.
- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with the Voyager Card policies and procedures.

RESPONSE: Management concurs; District personnel must provide oversight of their respective Voyager Fleet Card Programs.

COURSE OF ACTION: A directive to ensure strict oversight is incorporated in the letter of instruction detailed in the foregoing response to Recommendation 1, above; the directive addresses each of the eleven listed bullet points of Recommendation 2. District Managers and Managers, Operations Programs Support will be responsible for all requirements. The directive issues a suspense of 30 days upon receipt to become compliant, a copy of which accompanies this response.


Ellis A. Burgoyne

Attachment

cc: Patrick R. Donahoe
H. Glenn Walker
William P. Galligan, Jr.
Susan M. Brownell
Jordon M. Small
Katherine S. Banks

TERRY J. WILSON
VICE PRESIDENT, AREA OPERATIONS
SOUTHEAST AREA



March 12, 2008

JOHNSON JOHN
ACTING DIRECTOR, AUDIT OPERATIONS
OFFICE OF THE INSPECTOR GENERAL
1725 NORTH LYNN ST
ARLINGTON VA 22209-2020

SUBJECT: Voyager Card Program (Report Number CA-AR-08-Draft) Project Number 6YG043CA005

The following is the response from the Southeast Area to the Voyager Card Program review conducted by the Office of the Inspector General in selected sites.

The audit identified weaknesses in the administration of the Voyager Program that are concerning to us and certainly warrant action. The findings of the review will be addressed and the relative actions implemented in all Districts within the Southeast Area for compliance.

Specific actions to the recommendations are as follows:

Recommendation # 1:

Reiterate to District personnel the importance of complying with Voyager Card policies and procedures prescribed in the Site Fleet Card Guide for the United States Postal Service and the Voyager Handbook.

Response:

We agree that a better awareness of compliance is needed, and a letter was sent out March 12, 2008 to each District Manager and District Managers, Operations Programs Support stressing the requirement to ensure that their responsible personnel understand and apply the policies and procedures accurately and completely. A copy of the letter is attached.

Recommendation # 2:

Direct District personnel to provide sufficient oversight of their Voyager Card Programs by:

Ensuring all responsible personnel has completed the online Voyager Card training.

Response: District personnel will review training records to determine who is lacking in training, and will ensure that the training is done by April 10, 2008.

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Fax: 801.747.7444

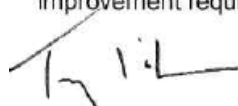
Ensuring each applicable site properly performs Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.

Response: An oversight process has been implemented in March to add visibility to the reconciliation portion of the Voyager program. At 15 days prior to the close out of Voyager records, the Vehicle Maintenance Program Analyst will notify the Manager, Operations Programs Support as well as the Vehicle Maintenance Facility Managers, reminding them of the requirement and attaching a list of offices not reconciled. This report will serve as a reminder to the site managers that they have 15 days remaining to initiate or complete the reconciliation or dispute process. At 10 days prior to the closeout, a message will be sent again, with the updated list of offices not reconciled. At that time the SEA Manager, Operations Support, SEA Manager, Finance, and the SEA District Managers will be notified also. A copy of the letter dated March 12, 2008, along with a sample copy of the report are attached.

- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personal identification number lists.
- Ensuring all master personal identification number lists are adequately secured
- Ensuring personal identification numbers are kept private and secure.
- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.

Response: The written notification of the recommendations to the District Managers and the training of the personnel will heighten the awareness around the requirements. Area and District personnel and Financial Control and Support will conduct periodic reviews to ensure procedures are being adhered to, and follow up action will occur for deficiencies.

The written notification, reconciliation oversight, and review process will provide the necessary improvement required in the Voyager Card Program.



Terry J. Wilson

Attachments

cc: David M. Patterson, Manager Operations Support
Gwen Green, Manager, Finance
Donnie Collins, Manager, Delivery Programs Support (A)
Ray Darragh, Manager, Maintenance
SEA District Managers

VICE PRESIDENT
CAPITAL METRO AREA OPERATIONS

UNITED STATES
POSTAL SERVICE

March 13, 2008

Johnson John
Acting Director, Audit Reporting
1735 North Lynn Street 9th Floor
Arlington, VA 22209-2020

SUBJECT: Audit-Voyager Card Program (Project Number 06YG043CA005)

The Capital Metro Area agrees with the findings and the importance of effective controls over the use of Voyager Cards and the assets at risk totaling \$194,448 in un-reconciled transactions. This report and management's response do not contain information that may be exempt from disclosure under the FOIA. This office has taken the following actions in regard to the findings and recommendations of the audit:

Recommendation #1: Reiterate to district personnel the importance of complying with Voyager card policies and procedures prescribed in the Site Fleet Card Guide for the United States Postal Service and the Voyager handbook.

Response: We agree with recommendation #1. The Capital Metro Area has issued written instructions to all district managers to provide uniform procedures for the reconciliation of Voyager Fleet Cards; ensuring integrity in the payment verification process and the reconciliation of receipts in the USPS Electronic Fleet Card System (eFCS). The attached SOP was reissued and disseminated to the field March 13, 2008 to include updated Voyager training and guidelines that have been implemented since the original instructions were issued.

Recommendation #2: Direct District personnel to provide sufficient oversight of their Voyager Card Programs by:

- Ensuring all responsible personnel have completed the Voyager Card training.
- Ensuring each applicable site properly performs Voyager card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFCS.
- Ensuring all Voyager Cards, including Z cards, are adequately secured.
- Maintaining current master personal identification number lists.
- Ensuring all master personal identification number lists are adequately secured.
- Ensuring personal identification numbers are kept secure and private.
- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt. Investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by the reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.


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301 548-1410
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PHYSICAL ADDRESS:
6 MONTGOMERY VILLAGE AVENUE
SUITE 655
GAITHERSBURG, MD

- 2 -

Response: We agree with recommendation #2. The attached SOP was disseminated to the field March 13, addressing all bulleted OIG recommendations in recommendation #2.

If you have any questions, please call [REDACTED] Manager, Maintenance Operations, Capital Metro Area [REDACTED]. This is a final report.


Jerry D. Lane

cc: Jeff Becker, Manager, Operations Support
Bill Rinn, Area Manager, Maintenance Operations
Joe Martin, Manager Delivery Programs Support
Larry Schaffer, Vehicle Maintenance Programs Analyst
Willie Lewis, Operations Programs Analyst
Tira Lewis, Financial Systems Analyst
District Managers

MICHAEL J. DALEY
VICE PRESIDENT, PACIFIC AREA OPERATIONS



March 14, 2008

JOHNSON JOHN
ACTING DIRECTOR, AUDIT OPERATIONS
OFFICE OF THE INSPECTOR GENERAL

SUBJECT: DRAFT AUDIT REPORT – VOYAGER CARD PROGRAM
(REPORT NUMBER CA-AR-08-DRAFT)

This provides the management response to the above referenced draft audit report. The Pacific Area thanks the audit team for their efforts in reviewing the internal controls over the Voyager Card Program (Project Number 06YGG043CA005). The report contained two recommendations specific to the Area Vice President. Pacific Area agrees with both recommendations.

Recommendation

Reiterate to district personnel the importance of complying with Voyager Card policies and procedures prescribed in the Site Fleet Card Guide for the United States Postal Service and the Voyager Handbook.

Response

Management will send a memo to the field by March 28, 2008, reiterating the importance of complying with Voyager Card policies and procedures prescribed in the Site Fleet Card Guide and Voyager Handbook.

Recommendation

Direct district personnel to provide sufficient oversight of their Voyager Card Programs by:

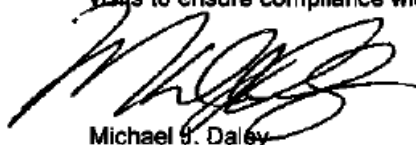
- Ensuring all responsible personnel have completed the online Voyager Card Training
- Ensuring each applicable site properly performs Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.
- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personnel identification number lists.
- Ensuring all master personal identification numbers lists are adequately secured.
- Ensuring personal identification numbers are kept private and secure.
- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.

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- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.

Response

Management will require all Voyager Fleet systems site managers complete the online training on the USPS intranet website. Training must be completed by May 30, 2008. The National Training Database will be used to track compliance. The memo to be sent to the field by March 28, 2008 will address all of the recommendations above. District personnel will be directed to provide sufficient oversight of their Voyager Card Programs by performing periodic, unannounced site visits to ensure compliance with Voyager card policies and procedures.



Michael S. Daley

cc: Drew T. Aliperto
Annette M. Goetz

VICE PRESIDENT, AREA OPERATIONS
NEW YORK METRO AREA



March 14, 2008

Johnson John
Acting Director, Audit Operations
Corporate Audit and Response Management
475 L'Enfant Plaza, SW, Room 8300
Washington, DC 20260-5130

SUBJECT: Voyager Card Program (Report Number CA-AR-08-DRAFT)

This is in response to the Draft Audit Report – Voyager Card Program (Report Number CA-AR-08-DRAFT).

The New York Metro Area acknowledges, as stated in Appendix C: Calculation of Assets at Risk – FY 2007 Non-Reconciled Transactions, the 35,105 non-reconciled transactions with calculated asset amount of \$3,047,144 at risk.

Recommendation 1:

Reiterate to district personnel the importance of complying with Voyager Card policies and procedures prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*.

Response

The New York Metro Area concurs with the recommendations and has revised and reissued the New York Metro Area's Voyager Fleet Card Controls and Reconciliation SOP (copy attached). This SOP reiterates the importance of complying with Voyager Card policies and procedures prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*.

Recommendation 2:

Direct district personnel to provide sufficient oversight of their Voyager Card Programs by:

- Ensuring all responsible personnel have completed the online Voyager Card training.
- Ensuring each applicable site properly performs Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.

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- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personal identification number lists.
- Ensuring all master personal identification number lists are adequately secured.
- Ensuring personal identification numbers are kept private and secure.
- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.

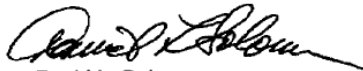
Response

The New York Metro Area concurs with the recommendations and revised and reissued the New York Metro Area Voyager Fleet Card Controls and Reconciliation SOP (attached) in March 2008. This SOP directs district personnel to provide and ensure specifically that:

- All responsible personnel have completed the online Voyager Card training.
- Each applicable site properly performs the Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.
- All Voyager Cards, including Z Cards, are adequately secured.
- Current master personal identification number (PIN) lists are maintained.
- All master (PIN) lists are adequately secured.
- (PINs) are kept private and secure.
- Receipts are available for all Voyager Card transactions. If a receipt is missing, it must be determined why there is no receipt, the transaction must be investigated to ensure that it is not fraudulent, the results of the investigation must be documented, and the information must be maintained for 2 years.

- All Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Personnel annotate the vehicle number on all receipts and invoices.
- Completed and organized Voyager Card reconciliation files are maintained for 2 years.
- Periodic, unannounced site visits are conducted to ensure compliance with Voyager Card policies and procedures.

The New York Metro Area does not recognize any Freedom of Information Act (FOIA) exempt information.



David L. Solomon

Attachment

cc: Steven J. Forte
Lorraine Castellano
Joseph Branco
Terence Hayes

JO ANN FEINDT
VICE PRESIDENT, GREAT LAKES AREA OPERATIONS



March 14, 2008

Johnson John
Acting Director, Audit Operations
Office of the Inspector General
1735 North Lynn Street
Arlington, Virginia 22209-2020
audittracking@uspsoig.gov

SUBJECT: Draft Audit Report – Voyager Card Program (Report Number CA-AR-08-DRAFT)

We are in agreement that a renewed focus on the use of Voyager Cards as prescribed in the Site Fleet Card Guide for the United States Postal Service and the Voyager Handbook is needed.

We agree that the 46,178 transaction that were not reconciled create potential financial exposure. However, historically we have found that the majority of the unreconciled transactions are for legitimate Postal expenses. Therefore, we feel that the amount of \$2,678,018 listed as at risk is overstated and should be reduced to the statistically determined amount that is truly at risk.

Recommendation # 11:

We recommend the Vice President, Great Lakes Area Operations:

Reiterate to district personnel the importance of complying with Voyager Card policies and procedures prescribed in the Site Fleet Card Guide for the United States Postal Service and the Voyager Handbook.

Response: We agree with this recommendation.

The standard operating procedure on Voyager procedures previously issued in 2002 will be updated, if necessary, and re-issued via memo by the Great Lakes Area office no later than April 11, 2008. The standard operating procedure will provide a uniform process to be followed regarding the procedures prescribed in the Voyager Site Fleet Card Guide.

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FAX: 630/539-7171

- 2 -

Recommendation [# 2]:**We recommend the Vice President, Great Lakes Area Operations:****Direct district personnel to provide sufficient oversight of their Voyager Card Programs by:**

- Ensuring all responsible personnel have completed the online Voyager Card training.
- Ensuring each applicable site properly performs Voyager Card reconciliations monthly and maintains documentation to support reconciliations shown as complete in the eFleet Card System.
- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personal identification number lists.
- Ensuring all master personal identification number lists are adequately secured.
- Ensuring personal identification numbers are kept private and secure.
- Ensuring receipts are available for all Voyager Card transactions. When a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for 2 years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for 2 years.
- Performing periodic, unannounced site visits to ensure compliance with Voyager Card policies and procedures.

Response: We agree with this recommendation

The Great Lakes Area Office will direct district personnel to provide sufficient oversight of their Voyager Card program in conjunction with the re-issue of the standard operating procedure referenced in recommendation #1 no later than April 11, 2008.

We don't feel a need to have any portion of this response exempted under FOIA.



J. Ann Feindt

MEGAN J. BRENNAN
VICE PRESIDENT, AREA OPERATIONS
EASTERN AREA



March 14, 2008

MEMORANDUM FOR: JOHN JOHNSON
A/DIRECTOR OF AUDIT OPERATIONS
USPS HEADQUARTERS

SUBJECT: Voyager Card Program – Report Number CA-AR-08 Draft

Management agrees with the two recommendations made by the OIG in Report Number CA-AR-08 Draft.

Recommendation #1 - Reiterate to district personnel the importance of complying with Voyager Card policies and procedures prescribed in the *Site Fleet Card Guide for the United States Postal Service* and the *Voyager Handbook*.

A memorandum from the Eastern Area Finance Manager was issued on March 11, 2008, reiterating the importance of complying with the prescribed policies and procedures. (memo enclosed)

Recommendation #2 - District personnel must provide sufficient oversight of their Voyager Card Programs by:


- Ensuring all responsible personnel have completed the online Voyager Card training.
- Ensuring each applicable site properly performs Voyager Card reconciliations monthly. This includes maintaining documentation to support reconciliations shown as complete in the eFleet Card System.
- Ensuring all Voyager Cards, including Z Cards, are adequately secured.
- Maintaining current master personal identification number lists.
- Ensuring all master personal identification number lists are adequately secured.
- Ensuring personal identification numbers are kept private and secure.

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- Ensuring receipts are available for all Voyager Card transactions. Whenever a receipt is missing, contact the employee to determine why there is no receipt, investigate the transaction to ensure it is not fraudulent, document the results of the investigation, and maintain the information for two (2) years.
- Ensuring all Voyager Card purchases made by reconciling officials are reconciled by an employee at the purchaser's level or higher.
- Ensuring personnel annotate the vehicle number on all receipts and invoices.
- Maintaining complete and organized Voyager Card reconciliation files for two (2) years.
- Performing periodic, unannounced site visits to ensure compliance with the Voyager Card policies and procedures

A memorandum from the Eastern Area Finance Manager was issued on March 11, 2008, to each District Manager, in the Eastern Area, requiring them to ensure sufficient oversight of the program (memo enclosed).

If you have any questions or concerns regarding this response please contact [REDACTED] Manager of Accounting, [REDACTED]


Megan J. Brennan
Enclosure