



Office of Inspector General | United States Postal Service

## Audit Report

# Vehicle, Fuel, and Oil Expenses – Woodlawn Station Post Office, Birmingham, AL

Report Number 21-148-R21 | July 30, 2021



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# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

July 30, 2021

**MEMORANDUM FOR:** JUNE MARTINDALE  
MANAGER, ALABAMA-MISSISSIPPI DISTRICT

A handwritten signature in black ink, reading "Michelle Lindquist", is centered below the recipient information.

**FROM:** Michelle Lindquist  
Director, Financial Controls

**SUBJECT:** Audit Report – Vehicle, Fuel, and Oil Expenses – Woodlawn  
Station Post Office, Birmingham, AL  
(Report Number 21-148-R21)

This report presents the results of our audit of Vehicle, Fuel, and Oil Expenses – Woodlawn Station Post Office, Birmingham, AL.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Gregory Williams, Acting Operational Manager, or me at 703-248-2100.

Attachment

cc: Postmaster General  
Corporate Audit and Response Management



# Results

## Background

This report presents the results of our audit of the Vehicle, Fuel, and Oil Expenses – Birmingham, AL, Woodlawn Station Post Office (PO) (Project Number 21-148). The Woodlawn Station Post Office is in the Alabama-Mississippi District of the Southern Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

U.S. Postal Service Office of Inspector General (OIG) data analytics identified the Woodlawn Station recorded in Account Identifier Code (AIC)<sup>1</sup> 594, Vehicle Supplies Expense,<sup>2</sup> totaling \$47,553 for the period October 1, 2018, through March 31, 2021. This represents 60 percent of the district’s vehicle supplies expenses recorded in AIC 594. In addition, these expenses increased significantly at the Woodlawn Station from \$5,733 for fiscal year (FY) 2019 to \$24,930, for FY 2020. For the period October 1, 2020 through March 31, 2021 (Quarters<sup>3</sup> 1 and 2), the unit has spent \$16,890 (see Table 1).

**Table 1. Vehicle Supplies Expense (AIC 594)**

| Fiscal Year, Quarter | Local Fuel Purchases<br>Woodlawn Station PO | Alabama District | Nationwide       | Percentage of Woodlawn<br>Station PO to District | Percentage of Woodlawn<br>Station PO to Nationwide |
|----------------------|---|------------------|------------------|--|--|
| 2019, Q1             | \$39  | \$1,279          | \$55,821         | 3%   | 0.07%  |
| 2019, Q2             | 6   | 890              | 27,303           | 1%   | 0.02%  |
| 2019, Q3             | 528   | 1,634            | 32,137           | 32%  | 1.64%  |
| 2019, Q4             | 5,160                                       | 6,142            | 38,076           | 84%  | 13.55%   |
| 2020, Q1             | 5,337                                       | 9,223            | 62,043           | 58%  | 8.60%  |
| 2020, Q2             | 6,503                                       | 11,629           | 64,923           | 56%  | 10.02%   |
| 2020, Q3             | 5,512                                       | 7,450            | 60,208           | 74%  | 9.15%  |
| 2020, Q4             | 7,578                                       | 11,088           | 88,809           | 68%  | 8.53%  |
| 2021, Q1             | 7,804                                       | 9,223            | 105,762          | 85%  | 7.38%  |
| 2021, Q2             | 9,086                                       | 21,027           | 107,845          | 43%  | 8.43%  |
| <b>TOTAL</b>         | <b>\$47,553</b>                             | <b>\$79,584</b>  | <b>\$642,928</b> | <b>60%</b>                                       | <b>7.40%</b>                                       |

Source: Enterprise Data Warehouse (EDW)<sup>4</sup> reports.

<sup>1</sup> A three-digit code that assigns financial transactions to the proper account on the general ledger. Each AIC is assigned a corresponding general ledger account.

<sup>2</sup> Expense associated with payment for emergency purchases of fuel, oil, and minor service of postal vehicles and washing vehicles at coin-operated car washers associated with vehicle maintenance facilities.

<sup>3</sup> An accounting division of the fiscal year that consists of three monthly accounting periods that are based on calendar months, with the first quarter October 1 through December 31.

<sup>4</sup> A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

Management assigns a Voyager<sup>5</sup> credit card to each vehicle to pay for recurring commercially purchased fuel, oil, and routine maintenance. Each vehicle's card should be used to purchase all commercial fuel required by that vehicle and any minor maintenance under \$300. U.S. Bank is responsible for operating the program and Voyager provides a weekly electronic transaction detail file of all Voyager card transactions to the Postal Service's Fuel Asset Management

System (FAMS)<sup>6</sup> eFleet application. Site managers are responsible for monitoring Voyager card transactions in the FAMS eFleet application.

Additionally, a review of Woodlawn Station activity identified unusual trends in vehicle supplies expenses. Data analytics identified the Woodlawn Station as having an upward trend, an increase of over \$9,047 in vehicle supplies expense from Q1, FY 2019, to Q2, FY 2021 (see Figure 1).

**Figure 1. Vehicle Supplies Expense (AIC 594) Activity for Woodlawn Station PO by Quarter**



Source: OIG analysis, data from EDW reports.

<sup>5</sup> Voyager Fleet Systems, Inc., owned by U.S. Bank, is the contractor for the program.

<sup>6</sup> A cost management tool used for managing and controlling fuel costs.

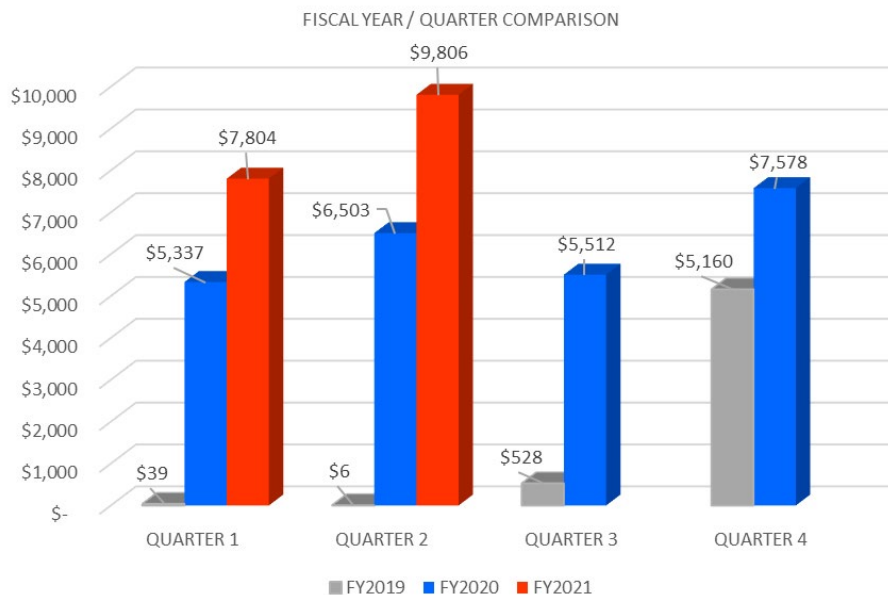
## Objective, Scope, and Methodology

The objective of this audit was to determine whether vehicle, fuel, and oil expenses incurred by the Woodlawn Station PO were appropriate, properly supported, and processed.

To accomplish our objective, we analyzed 2,419 transactions (100 percent) for vehicle, fuel, and oil expenses and supporting documentation charged to AIC 594 identified between October 1, 2018, and March 31, 2021. Woodlawn Station PO vehicle, fuel, and oil expenses have been significantly increasing (see Figure 2).

We sorted, reviewed, and documented all supporting documentation for vehicle, fuel, and oil expenses made to AIC 594 and matched them with Postal Service (PS) Forms 1412, Daily Financial Report.<sup>7</sup>

**Figure 2. Vehicle Supplies Expense (AIC 594) Comparison by Quarter**



Source: EDW reports.

<sup>7</sup> Provides postal retail units with a uniform method to report financial transactions.

<sup>8</sup> A right-hand city delivery van with an aluminum body that can carry 1,000 pounds of cargo. It is designed to last 24 years. The first LLVs entered service in 1987, replacing the Jeep DI-S.

We relied on computer-generated data from EDW. We did not test the validity of controls over this system; however, we assessed the accuracy of the data by reviewing related documentation, tracing selected information to supporting source records, and interviewing knowledgeable Postal Service personnel. We determined the data were sufficiently reliable for the purposes of this report.

We interviewed the postmaster and other personnel responsible for overseeing and processing vehicle expenses.

We conducted this audit from May through July 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 audit 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 July 12, 2021 and included their comments where appropriate.

## Findings Summary

We determined that Woodlawn Station PO vehicle supplies expenses were not appropriate, properly supported or processed. We found that none of the 2,419 transactions reviewed were appropriate, reimbursements were not properly supported, and Voyager cards were used in addition to reimbursements.

### Finding #1: Vehicle Expenses

Woodlawn Station vehicle expenses were for recurring local fuel purchases for Long Life Vehicles (LLV)<sup>8</sup> used on daily routes and not for emergency situations. Unit management used the incorrect AIC or inappropriate PS forms and did not always have supporting documentation.

Specifically, we found that employees:

- Inappropriately charged AIC Code 594 instead of using Voyager cards as required for recurring local vehicle expenses.

Postal Service policy<sup>9</sup> states that local vehicle expenses and use of AIC 594 are associated with vehicle drivers making emergency purchases of up to three gallons of fuel, oil and minor service of postal vehicles, and vehicle washing at coin-operated car washers. Additionally, charges to AIC 594 are associated with a Vehicle Maintenance Facility.<sup>10</sup>

- Inappropriately used PS Form 3533,<sup>11</sup> *Application for Refund of Fees, Products and Withdrawal of Customer Accounts* as support of these transactions instead of using PS Form 1164, *Claim for Reimbursement for Expenditures on Official Business*.

Postal Service policy<sup>12</sup> states reimburse an employee for nonrecurring travel are to be supported with a PS Form 1312, Local Transportation Payments,<sup>13</sup> or a PS Form 1164 *Claim for Reimbursement for Expenditures on Official Business*.<sup>14</sup>

- Did not always have support for cash reimbursement issued to unit employees for fuel purchases.

Postal Service policy<sup>15</sup> states that employees must submit PS Forms 1312 or 1164 as supporting documentation for entries on PS Form 1412, *Daily Financial Report*.

These issues occurred because unit management did not provide oversight of local travel payments processed by the unit, lacked training, and did not order replacement Voyager cards when they were lost and missing.

9 Handbook PO-701, *Account Identifier Codes*, Section 463.21, Vehicle Supplies Expensed.

10 A USPS repair shop and garage that maintains postal vehicles and provides support documents for vehicle cost and accounting reports.

11 This form is used for the following: Payment and Refunds of Annual Permit Fees from Customer Accounts, Transfers, Customer requested withdrawals, closing customer accounts for inactivity.

12 Handbook F-101, *Field Accounting Procedures*, Chapter 22.2.2, Travel Reimbursements, October 2020.

13 Complete this form on the day the cash or tokens are distributed for fares and tolls

14 Complete this form to reimburse an employee an employee for nonrecurring travel when eTravel or web alias is not an option.

15 Handbook F-101, Chapter 22.2.2, Travel Reimbursements, October 2020.

According to unit management, they requested employees to use AIC 594 to record local travel payments because some Voyager cards were lost and missing. Additionally, they used PS Form 3533 because it shows proof of purchase. Further, they stated they did not oversee local travel payments processed by the unit because they were not formally trained on approving and processing local travel expenses.

When there is a lack of oversight, employees not adequately trained on policies and procedures for fuel purchases, and replacement Voyager cards ordered when lost and missing, improper payments could occur.

### Recommendation #1

We recommend the **Manager, Alabama-Mississippi District**, provide oversight and train unit management on policies and procedures associated with recurring vehicle expenses.

## Finding #2: Reimbursements

Reimbursements for vehicle supplies expenses were not always properly supported. Specifically, of the 2,419 transactions reviewed for cash reimbursements of fuel purchases we identified:

- 1,028 (42 percent) with no required support, such as gas receipts.
- 1,391 (58 percent) missing PS Forms 1312 or 1164. Regarding these transactions, the OIG further noted:
  - Employees did not adequately file supporting documentation. They maintained supporting documentation in mail transport equipment (Figure 3).
  - Employees did not annotate the LLV number on the gas receipt; however, periodically the name of the employee was noted on the receipt.

- Gas receipts were not attached to the daily PS Form 1412.

### Figure 3 - Gas Receipts



Source: OIG.

Postal Service policy<sup>16</sup> requires the vehicle number to be written on the gas receipt. In addition, policy<sup>17</sup> states the unit manager must review the preliminary PS Form 1412 and any additional reports that support the day's business.

These issues occurred because unit personnel responsible for daily closeout duties did not always reconcile accounts to supporting documentation. In addition, unit management did not properly perform the daily close out procedures and ensure that supporting documentation was reconciled because they were not aware of the process.<sup>18</sup>

We determined the 2,419 transactions reviewed were not properly supported and consider the vehicle supply expense transactions, valued at \$47,553, to be unsupported questioned costs.<sup>19</sup>

Reimbursing vehicle fuel transactions in cash without proper documentation increases the risk of improper payments. We plan to refer these issues to the Office of Investigations for further review.

#### Recommendation #2

We recommend the **Manager, Alabama-Mississippi District**, train unit management on daily closeout procedures, including processing local fuel purchase reimbursements, supporting documentation, and use of Postal Service forms.

### Finding #3: Vehicle Fleet Cards

Vehicle supplies expenses were not always properly processed and we found that employees use multiple processes for vehicle supplies expenses. Some employees were getting reimbursed with cash while using the vehicle assigned Postal Fleet Card, known as Voyager.<sup>20</sup> Specifically, we found the Woodlawn Station PO has 37 daily routes and 36 vehicles assigned, and its employees used more Voyager cards than the station had vehicles assigned in FY 2019 and 2020; and in 2021 its employees were using 35 cards (see [Table 2](#)).

<sup>16</sup> Voyager Fleet Card SOP, Section 4.1, November 3, 2016.

<sup>17</sup> Handbook F-101, Section 5-3.b & c, Retail Associate Closeout, October 2020.

<sup>18</sup> Handbook F-101, Section 5-2.2. a – s, Unit Closeout, October 2020.

<sup>19</sup> 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.

<sup>20</sup> Voyager Fleet Systems, Inc., a web-based application to manage the costs of operating a fleet of over 220,000 vehicles, owned by U.S. Bank. Each vehicle has its own assigned credit card used to purchase fuel, oil, repairs, and other necessary products and services.



**Table 2. Reimbursed Fuel AIC 594 & Voyager Card Usage**

| Fiscal Year       | Number of Vehicles | Number of Voyager Cards | Reimbursed Fuel: AIC 594 | Fuel: Voyager Card | Total Fuel Cost |
|-------------------|--------------------|-------------------------|--------------------------|--------------------|-----------------|
| FY 2019           | 36                 | 39                      | \$5,733                  | \$79,293           | \$85,026        |
| FY 2020           | 36                 | 41                      | \$24,929                 | \$42,415           | \$67,344        |
| FY 2021 (Q1 & Q2) | 36                 | 35                      | \$16,889                 | \$23,377           | \$40,266        |

Source: EDW reports and the Fuel Asset Management System.

Postal Service policy<sup>21</sup> states that Voyager is the intended payment method for recurring services such as maintenance, repair, fuel, towing, shuttling, servicing, cleaning, washing, and polishing. Policy states<sup>22</sup> that the Postal Service vehicle card is the primary means to pay for all commercial fuel and oil. In addition, unit management is responsible for ensuring the following procedures are accomplished: Requesting over-limit expenditure approval from the VMF, updating driver information to Voyager, reconciling monthly reports, and retaining records. They are responsible for the security of the cards and ensuring driver receipts are reconciled in FAMS.

This occurred because the Woodlawn Station PO did not have adequate oversight on the use of the Vehicle Supplies Expense process, or the use of Voyager cards assigned to each individual LLV at the station. According to unit management, they assigned a card to each vehicle at the Woodlawn PO, but those cards were lost or stolen; however, according to the data, only one card was lost or stolen. Further, unit management did not immediately report the lost or stolen Voyager cards to U.S. Bank and the OIG as required or follow Standard Operating Procedures that address this issue. Once notified, U.S. Bank will cancel the lost or stolen card and reissue a replacement.

On May 10, 2021 — the date we announced this audit — management took corrective action, requesting 36 Voyager cards for the Woodlawn Station. However, there were 35 Voyager cards already in use at this unit. Management

stated that requests for new cards were made in the past, but never received. Management stated employees will start using the Voyager cards as soon as they are available to purchase fuel for the vehicles.

By reimbursing vehicle fuel transactions in cash rather than using the vehicle card, it increases the risk of improper payments. Additionally, the Postal Service cannot recover state taxes or generate additional rebates based on total fuel sales. We plan to refer these issues to the Office of Investigations for further review.

### Recommendation #3

We recommend the **Manager, Alabama-Mississippi District**, instruct the **Birmingham, AL Station Manager** to update driver information to Voyager, reconcile monthly reports, retain records, and ensure driver receipts are reconciled in Fuel Asset Management System.

### Management's Comments

Management agreed with all findings and recommendations; however, they disagreed with the monetary impact.

Regarding recommendation 1, management stated that unit management will complete eFleet Card training for site managers. The course describes procedures for reconciling retail fuel purchases made with postal-issued Voyager

<sup>21</sup> Voyager Frequently Asked Questions, updated March 2011.

<sup>22</sup> Voyager Fleet Card Standard Operation Procedures (SOP), Section 2.3, dated November 3, 2016.

Fleet Cards and specifically describes site manager responsibilities. In addition, management stated the integration manager will provide oversight. The target implementation date is August 10, 2021.

Regarding recommendation 2, management stated that unit management will complete eFleet Card training for site managers and HERO training for Retail Systems Software (RSS) and RSS Back office/administration. The target implementation date is August 10, 2021.

Regarding recommendation 3, management stated they received new cards and make route assignments with an updated tracking list. In addition, unit management will retain records and ensure that driver receipts are reconciled in the Fuel Asset Management System. The target implementation date is August 10, 2021.

Regarding monetary impact, management stated the Woodlawn Station Post Office had some receipts for reimbursements to employees. Further, management stated they may have used the incorrect form for reimbursements, but that does not automatically negate a valid reimbursement owed to employees for fueling postal vehicles with their personal cards.

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

## Evaluation of Management's Comments

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

Regarding the monetary impact, as stated in the report, 2,419 transactions we reviewed were not properly supported with the required, completed documentation and did not receive the required management review. Reimbursing vehicle fuel transactions in cash without proper documentation increases the risk of improper payments.

The recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective action is completed. Recommendations 1, 2, and 3 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  
ALABAMA – MISSISSIPPI DISTRICT



July 28, 2021

JOSEPH WOLSKI  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Vehicle, Fuel, and Oil Expenses – Woodlawn Station Post Office, Birmingham,  
AL (Project Number 21-148)

Management agrees with the findings that there is an increased risk of loss or theft, if controls over the voyager cards, lack of receipts to support reimbursements are not followed. Management also agrees that Woodlawn Station Post Office Management were not properly trained and were not educated with the usage of proper forms for reimbursements. However, Management disagrees with the assessment of \$47,553 at risk, as Woodlawn station Post Office, Birmingham did have some receipts for reimbursements provided to employees. Management may have used the incorrect form for reimbursements, but that does not automatically negate a valid reimbursements owed to postal employees for fueling postal vehicles with their personal card.

**Recommendation #1:**

We recommend the Manager, Alabama-Mississippi District, provide oversight and train unit management on policies and procedures associated with recurring vehicle expenses.

**Management Response/Action Plan:**

Management agrees with the above recommendation. Unit management will complete the eFleet Card training for Site Manager. The course describes procedures for reconciliation of retail fuel purchases made with the Postal Issued Voyager Fleet Card and specifically describes Site Manager responsibilities in accomplishing this required reconciliation using the Postal Service's eFleet card system. Course objectives are that after taking the required training anyone who is tasked to accomplish reconciliation understands the required reconciliation procedures, timelines, and responsibilities. The Integration Manager will provide oversight.

**Target Implementation Date:** 08/10/2021

**Responsible Official:** Unit manager is the responsible official.

**Recommendation #2:**

We recommend the Manager, Alabama-Mississippi District, train unit management on daily closeout procedures, including processing local fuel purchase reimbursements, supporting documentation, and use of Postal Service forms.

**Management Response/Action Plan:**

Management agrees with the above recommendation. Unit management will complete the eFleet Card training for Site Manager. The course describes procedures for reconciliation of retail fuel purchases made with the Postal Issued Voyager Fleet Card and specifically describes Site Manager responsibilities in accomplishing this required reconciliation using the Postal Service's eFleet card system. Course objectives are that after taking the required training anyone who is tasked to accomplish reconciliation understands the required reconciliation procedures, timelines, and responsibilities. In addition the HERO training course #10023328 (Ret:Retail Systems Software) and course #10023329 (Ret: RSS Back Office/Administration) will be taken in HERO to address back office daily duties. The Integration Manager will provide oversight.

**Target Implementation Date:** 08/10/2021

**Responsible Official:** Unit manager is the responsible official.

**Recommendation #3:**

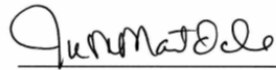
We recommend the Manager, Alabama-Mississippi District, instruct the Birmingham, AL Station Manager to update driver information to Voyager, reconcile monthly reports, retain records, and ensure driver receipts are reconciled in Fuel Asset Management System.

**Management Response/Action Plan:**

Management agrees with the above recommendation. All new cards have been received and route assignments are made with an updated tracking list. Unit management will be retaining records and ensure driver receipts are reconciled in Fuel Asset Management System.

**Target Implementation Date:** 8/10/2021

**Responsible Official:** Unit manager is the responsible official.



June M. Martindale, Alabama-Mississippi District Manager  
United States Postal Service



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