



Office of Inspector General | United States Postal Service

## Audit Report

# Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices, Brooklyn, NY

Report Number 21-217-R22 | October 6, 2021



# Table of Contents

- Cover
- Transmittal Letter ..... 1
- Results..... 2
  - Background..... 2
  - Objective, Scope, and Methodology..... 4
  - Finding #1: Vehicle Expenses ..... 4
    - Recommendation #1 ..... 5
  - Finding #2: Supporting Documentation..... 5
    - Recommendation #2 ..... 6
    - Recommendation #3 ..... 6
  - Other Observations ..... 6
- Management’s Comments..... 7
- Evaluation of Management’s Comments ..... 7
- Appendix A: Management’s Comments..... 8
- Contact Information ..... 10

# Transmittal Letter



OFFICE OF INSPECTOR GENERAL  
UNITED STATES POSTAL SERVICE

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October 6, 2021

**MEMORANDUM FOR:** LORRAINE CASTELLANO  
MANAGER, NEW YORK DISTRICT

*Michelle Lindquist*

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

**SUBJECT:** Audit Report – Vehicle, Fuel, and Oil Expenses – Pratt and  
Metropolitan Station Post Offices, Brooklyn, NY  
(Report Number 21-217-R22)

This report presents the results of our audit of Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices, Brooklyn, NY.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Eric Borigini, 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 Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices (PO), Brooklyn, NY (Project Number 21-217). The Pratt and Metropolitan Station POs are in the New York District of the Atlantic Area. This audit was designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

During this audit, Pratt Station employees were co-located at the Metropolitan Station PO. However, vehicle supplies expenses of each PO were kept separate and located approximately 1.5 miles from each other.

U.S. Postal Service Office of Inspector General (OIG) data analytics identified districts with high amounts of vehicle supplies expenses recorded to Account Identifier Code (AIC)<sup>1</sup> 594, Vehicle Supplies Expense.<sup>2</sup> Based on our data analysis for fiscal year (FY) 2020 through Quarters (Q)<sup>3</sup> 1 through 3, FY 2021 (October 1, 2020, through June 30, 2021), we identified the Pratt and Metropolitan Station POs had vehicle supplies expenses totaling \$40,850<sup>4</sup> combined. This represents 43 percent of the district's vehicle supplies expenses recorded in AIC 594. The Pratt Station represented 28 percent (see Table 1) and the Metropolitan Station represented 15 percent (see Table 2).

**Table 1. Vehicle Supplies Expense for Pratt Station**

Fiscal Year, Quarter	Local Fuel Purchases Pratt Station PO	New York District	Nationwide	Percentage of Pratt Station PO to District	Percentage of Pratt Station PO to Nationwide
2020, Q1	\$1,378	\$10,057	\$62,043	14%	2%
2020, Q2	6,791	14,475	64,923	47%	10%
2020, Q3	5,626	15,306	60,208	37%	9%
2020, Q4	2,922	16,289	88,809	18%	3%
2021, Q1	3,683	12,985	105,762	28%	3%
2021, Q2	3,110	11,988	122,584	26%	3%
2021, Q3	3,054	12,863	137,887	24%	2%
<b>TOTAL</b>	<b>\$26,564</b>	<b>\$93,963</b>	<b>\$642,217</b>	<b>28%</b>	<b>4%</b>

Source: Enterprise Data Warehouse (EDW)<sup>5</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> The Pratt Station PO had vehicle supplies expenses valued at \$26,564 and the Metropolitan Station PO had \$14,286, a combined total of \$40,850, for the time period.

<sup>5</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.

**Table 2. Vehicle Supplies Expense for the Metropolitan Station PO**

Fiscal Year, Quarter	Local Fuel Purchases Metropolitan Station PO	New York District	Nationwide	Percentage of Metropolitan Station PO to District	Percentage of Metropolitan Station PO to Nationwide
2020, Q1	\$4,123	\$10,057	\$62,043	41%	7%
2020, Q2	3,855	14,475	64,923	27%	6%
2020, Q3	1,386	15,306	60,208	9%	2%
2020, Q4	1,803	16,289	88,809	11%	2%
2021, Q1	1,181	12,985	105,762	9%	1%
2021, Q2	1,458	11,988	122,584	12%	1%
2021, Q3	480	12,863	137,887	4%	0.4%
<b>TOTAL</b>	<b>\$14,286</b>	<b>\$93,963</b>	<b>\$642,217</b>	<b>15%</b>	<b>2%</b>

Source: EDW reports.

As shown in Figure 1, the Pratt Station PO had an unusual spike in vehicle supplies expense from Q1 to Q2, FY 2020, but expenses stabilized and decreased in FY 2021. Likewise, vehicle supplies expense at the Metropolitan Station decreased from FY 2020 to FY 2021. Expenses recorded in AIC 594 are for emergency purposes only; therefore, they should be minimal.

**Figure 1. Vehicle Supplies Expense (AIC 594) Activity For the Pratt and Metropolitan Station POs by Quarter**



Source: EDW reports.

## Objective, Scope, and Methodology

The objective of this audit was to determine whether vehicle, fuel, and oil expenses for the Pratt and Metropolitan Station POs were appropriate and properly supported and processed.

To accomplish our objective, we analyzed all 768 vehicle, fuel, and oil expense transactions for the Pratt Station PO (499 transactions) and the Metropolitan Station PO (269 transactions) charged to AIC 594 between October 1, 2019, and June 30, 2021. We reviewed all supporting documentation and verified it to PS Forms 1412, Daily Financial Report.<sup>6</sup> We also interviewed unit management and other personnel responsible for overseeing and processing vehicle expenses.

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 conducted this audit from July through October 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 September 16, 2021, and included their comments where appropriate.

## Finding #1: Vehicle Expenses

Unit management at the Pratt and Metropolitan Station POs did not appropriately process, pay, or record vehicle expenses. We reviewed 768 transactions totaling \$40,850, that were charged to AIC 594. These transactions were for reimbursements to drivers for recurring fuel expenses, not for emergency purposes, as required. Unit management:

- Issued no-fee money orders in denominations of \$25 to \$100 to drivers who cashed them at the retail window and used the funds for recurring local fuel purchases for Long Life Vehicles (LLV)<sup>7</sup> and 2-ton vehicles<sup>8</sup> used on daily routes.
- Reimbursed drivers with cash from the retail window for fuel that they purchased with their own funds.

Service policy<sup>9</sup> states that the Voyager<sup>10</sup> Fleet card (Voyager card) is the intended payment method for recurring services such as maintenance, repair, fuel, towing, shuttling, servicing, cleaning, washing, and polishing. In addition, the Voyager card is the primary means to pay for all commercial fuel and oil. Unit management is responsible for retaining records and securing the cards.

Postal Service policy<sup>11</sup> also states that vehicle supplies expenses are recorded to AIC 594, Vehicle Supplies Expense, 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>12</sup>

These issues occurred because unit management did not have an adequate number of Voyager cards<sup>13</sup> and did not follow standard operating procedures for replacing lost cards. In addition, unit management did not immediately report

<sup>6</sup> Provides postal retail units with a uniform method to report financial transactions.

<sup>7</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.

<sup>8</sup> A walk-in body vehicle specially designed for easy access to driver and cargo areas.

<sup>9</sup> *Voyager Frequently Asked Questions*, updated March 2011.

<sup>10</sup> Voyager Fleet Systems, Inc., owned by U.S. Bank, is the contractor for the program.

<sup>11</sup> Handbook PO-701, *Account Identifier Codes*, Section 463.21, Vehicle Supplies Expense.

<sup>12</sup> A Postal Service repair shop and garage that maintains postal vehicles and provides support documents for vehicle cost and accounting reports.

<sup>13</sup> The POs had 67 vehicles combined. The Pratt Station PO had 11, 2-ton vehicles and 22 LLVs and the Metropolitan Station PO had 10, 2-ton vehicles and 24 LLVs. However, the units had a combined 41 Voyager cards, on average, during FYs 2020 and 2021. The number of cards fluctuated by month.

lost or stolen Voyager cards to U.S. Bank<sup>14</sup> and the OIG as required. Finally, unit management stated they did not know the process and were not sure of the policies related to vehicle supplies expenses.

In April 2021, new unit management began overseeing operations at both the Metropolitan Station and Pratt POs' Finance units.<sup>15</sup> They stated that they did not know why Voyager cards were not used in the past; however, new unit management requested 39 new Voyager cards and instructed employees to use Voyager cards for vehicle expenses. The manager secured the cards and implemented a requirement for employees to submit their timecards in exchange for the Voyager card. After refueling, employees return the Voyager Card and retrieve their timecard.

Reimbursing vehicle fuel transactions with cash or money orders rather than using the Voyager Card to purchase fuel increases the risk of improper payments. Additionally, the Postal Service may not be able to recover state taxes or generate additional rebates based on total fuel sales. We consider the 768 transactions for vehicle supplies expenses valued at \$40,850 and not properly processed, paid, or recorded to be unsupported questioned costs<sup>16</sup>

**Table 3. Documentation for Cash Reimbursements of Fuel Purchases**

Facility	Total Transactions Not Properly Supported	Missing Documentation		Improper Receipts		
		None Available	Missing Form	No Receipt	No Vehicle Number	Other than Vehicle Supplies Expenses
Pratt Station PO	186	8	160	3	8	7
Metropolitan Station PO	269	185	14	55	15	0
<b>Total</b>	<b>455</b>	<b>193</b>	<b>174</b>	<b>58</b>	<b>23</b>	<b>7</b>

Source: OIG analysis.

<sup>14</sup> U.S. Bank operates the program. Once notified, U.S. Bank would cancel the lost or stolen card and reissue a replacement.

<sup>15</sup> A non-delivery PO station or branch that accepts mail from customers and offers retail services to customers and handles their mail. This unit handled reimbursements for the Pratt PO carriers during our scope period.

<sup>16</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>17</sup> Containers used for mail processing or transportation within or between facilities by the Postal Service, its customers, or contractors.

<sup>18</sup> Metropolitan Station PO unit management could not locate any documentation for vehicle supplies expenses for all of FY 2020 and part of Q1, FY 2021.

<sup>19</sup> Complete this form to reimburse an employee for nonrecurring travel.

### Recommendation #1

We recommend the **Manager, New York District**, instruct the **Postmaster, Brooklyn**, to train unit management at the Metropolitan and Pratt Station Post Offices on policies, procedures, and proper use of Account Identifier Code 594, Vehicle Supplies Expense.

### Finding #2: Supporting Documentation

Unit management at the Pratt and Metropolitan POs did not always properly support reimbursements to employees for vehicle supplies expenses. Further, the unit did not properly file supporting documentation, instead, they stored supporting documentation in mail transport equipment.<sup>17</sup>

As shown in Table 3, 455 of 768 employee cash reimbursements transactions for vehicle supplies expenses at the Pratt and Metropolitan Station POs did not have proper support. Specifically, 193 did not have any supporting documentation for the reimbursement;<sup>18</sup> 174 did not have the required PS Form 1164, Claim for Reimbursement for Expenditures on Official Business;<sup>19</sup> and 88 did not have proper receipts, including 58 reimbursements without receipts.

Finally, for 411 of the 768 transactions reviewed, employees submitted prepaid receipts to support reimbursements for fuel purchases (see Figure 2 for an example). These receipts did not provide details to ensure the purchase was for fuel only.

**Figure 2. Example of Prepaid Receipt**



Source: OIG photo taken July 28, 2021.

Current policy does not address prepaid receipts. Policy changes require postal-wide analysis and are outside the scope of the audit. We may pursue policy for prepaid receipts in future postal-wide audits.

Postal Service policy<sup>20</sup> states that emergency local fuel purchases charged to AIC 594 must be supported with PS Form 1164 or PS Form 1312, Local Transportation Payments.<sup>21</sup> In addition, policy<sup>22</sup> requires the vehicle number to be written on the fuel receipt. Further, PS Forms 1164 and 1312, together with supporting receipts, must be attached to the PS Form 1412 to support the daily closeout process.<sup>23</sup>

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

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

22 Voyager Fleet Card SOP, Section 4.1, November 3, 2016.

23 Handbook F-101, Section 5-3.b & c, Retail Associate Closeout, October 2020.

24 Handbook F-101, Section 5-2.2. a – s, Unit Closeout, October 2020.

These issues occurred because unit management overseeing the Metropolitan Station and Pratt Finance unit at the time of our audit were unaware of the reimbursement process for vehicle supplies expense. Further, they did not ensure that adequate receipts were attached to forms that supported daily financial transactions summaries, as part of the daily close out procedures.<sup>24</sup> In addition, they were unaware that employees were going to the Pratt Finance unit to get reimbursed for these expenses.

As of April 2021, current unit management removed all PS Forms 1164 from the Pratt Finance unit to ensure reimbursements are properly supported and approved at the post office where the carriers are assigned. Unit management at the Metropolitan Station PO also gave a service talk to all employees to stop seeking reimbursements for fuel.

Reimbursing vehicle fuel transactions using cash or money orders without proper documentation increases the risk of improper payments.

### Recommendation #2

We recommend the **Manager, New York District**, direct the **Postmaster, Brooklyn**, to reiterate to unit management at the Pratt and Metropolitan Station Post Offices to properly support all local fuel purchase reimbursements and the daily financial report with appropriate Postal Service forms and receipts.

### Recommendation #3

We recommend the **Manager, New York District**, implement procedures regarding required supporting documentation for fuel purchased using the prepaid method until formal policy is established.

## Other Observations

During our audit, we observed the following issues that, if corrected, could protect accountable assets, and reduce the risk of loss. Specifically:



- Safes were left unlocked and unattended (see Figure 3).

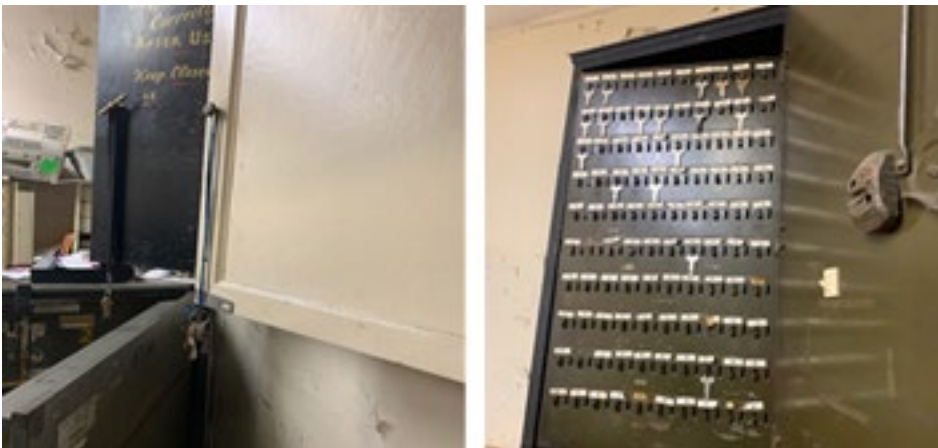
**Figure 3. Unlocked, Unattended Safes**



Source: From left to right OIG photograph 1, 2, and 3 taken July 29, 2021, at the Metropolitan Station PO.

- Keys to safes were not properly secured (see Figure 4).

**Figure 4. Keys Unlocked and Accessible**



Source: OIG photographs taken July 29, 2021, at the Metropolitan Station PO.

Unit management stated they are in contact with two different locksmiths to get all safe and register drawer locks re-keyed. However, during our observations, keys were left unsecured and safes remained open. Unit management stated that it is a long process to find a locksmith to re-key all locks and get approval. We suggest management re-key all locks as soon as possible to prevent loss of assets.

### Management's Comments

Management agreed with the findings, recommendations, and monetary impact. Regarding recommendation 1, management will train the unit's staff on policies, procedures, and the proper use of AIC 594; and to send Voyager Fleet Card Standard Operating Procedure and a District Directive to all offices to ensure compliance in this metric. Finally, all Executive and Administrative Schedule (EAS) personnel will complete eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training.

Regarding recommendation 2, management will reiterate to Pratt and Metropolitan Station Post Office staff to properly support all local fuel purchase reimbursements and the daily financial report with appropriate Postal Service forms and receipts.

Regarding recommendation 3, management will implement procedures regarding required supporting documentation for fuel purchases, and as stated previously, all EAS personnel will complete eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training.

Management provided documentation in subsequent correspondence that corrective actions for all recommendations were completed September 30, 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 recommendations and the corrective actions should resolve the issues identified in the report. We consider recommendations 1, 2, and 3 closed with the issuance of this report.

# Appendix A: Management's Comments



September 24, 2021

JOSEPH WOLSKI  
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices,  
Brooklyn, NY. **Project Number 21-217-DRAFT**

Thank you for providing guidance during the Vehicle, Fuel, and Oil Expenses – Pratt and Metropolitan Station Post Offices, Brooklyn, NY audit. Management has reviewed and agree with all the findings, recommendations, and all monetary impacts presented in your September 2021 Draft Report.

Our response to the Recommendations is as follows:

**Recommendation #1:**

We recommend the Manager New York District, instruct the Postmaster, Brooklyn, to train unit management at the Metropolitan and Pratt Station Post Offices on policies, procedures, and proper use of Account identifier Code 594, Vehicle Supplies Expense.

**Management Response/Action Plan:**

Management agrees with the recommendation. Management will train the units staff on policies, procedures, and proper use of Account identifier Code 594, Vehicle Supplies Expense. Management will send Voyager Fleet Card Standard Operating Procedure (SOP) and District Directive to all offices to ensure compliance in this metric. All EAS personnel will complete eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training. This training was offered in HERO.

**Target Implementation Date:**

Completed 09/30/2021

**Responsible Official:**

(A)Postmaster of Brooklyn, NY

**Recommendation #2:**

We recommend the Manager New York District, direct the Postmaster, Brooklyn, to reiterate to unit management at the Pratt and Metropolitan Station Post Offices to properly support all local fuel purchase reimbursements and the daily financial report with appropriate Postal Service forms and receipts

**Management Response/Action Plan:**

Management agrees with the recommendation. Management will reiterate to the Metro/Pratt staff to properly support all local fuel purchase reimbursements and the daily financial report with appropriate Postal Service forms and receipts.

**Target Implementation Date:**

Completed 09/30/2021

**Responsible Official:**

(A)Postmaster of Brooklyn, NY

**Recommendation #3:**

We recommend the Manager New York District, implement procedures regarding required supporting documentation for fuel purchase using the prepaid method until formal policy is established

**Management Response/Action Plan:**

Management agrees with the recommendation. Management will implement procedures regarding required supporting documentation for fuel purchases. All EAS personnel will complete eFleet Card for Site Manager Training and Voyager Fleet Commander Online Training. This training was offered in HERO.

**Target Implementation Date:**

Completed 09/30/2021

**Responsible Officials:**

(A)Postmaster of Brooklyn, NY



LORRAINE CASTELLANO  
DISTRICT MANAGER NEW YORK 1 DISTRICT

cc: VP Area R&D Operations (Atlantic)  
Exec. Manager, Finance & Budget (Atlantic)  
Manager, Corporate Audit Response Management  
Manager, Field Accounting Support (Atlantic-A)  
Manager, Operations Integration (New York 1 District)

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