



Office of Inspector General | United States Postal Service

Audit Report

Fleet Specialty Card Management – Pacific Area

Report Number DR-AR-18-009 | July 17, 2018



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Highlights

Objective

The objective of our audit was to assess the effectiveness of controls over fleet specialty cards for delivery operations in the Pacific Area.

The U.S. Postal Service operates one of the largest vehicle fleets in the U.S. In fiscal year (FY) 2017, the Postal Service used 205,997 vehicles, primarily to deliver and collect mail. Each of these Postal owned vehicles are issued a fleet card to pay for commercially purchased fuel, oil, and maintenance expenses up to \$300. In addition to these cards, the Postal Service has fleet specialty cards. Fleet specialty cards are issued to each facility with assigned vehicles and to Vehicle Maintenance Facilities (VMF) to pay for maintenance or repairs over \$300.

Site managers should monitor fleet specialty card purchases to prevent unauthorized charges. Each month, they review and certify these transactions with supporting documentation, which are maintained for two years. Site managers must also ensure the VMF receives a copy of each maintenance invoice or receipt. The VMF enters the maintenance invoice or receipt details into a work order in the Solution Enterprise Asset Management (SEAM) system to maintain complete service records for each vehicle in the fleet.

Additionally, site managers maintain and secure all fleet specialty cards and the personal identification number (PIN) list. PINs are confidential numbers randomly assigned to Postal Service employees and are used to authorize purchases made with fleet specialty cards.

The Pacific Area was selected based on the amount of fleet specialty card transactions in FY 2017, which totaled \$10.2 million, and the percentage of specialty card transactions (41 percent) used for non-fuel transactions such as maintenance and repairs, towing, and vehicle washes.

“Site managers should monitor credit card purchases to prevent unauthorized charges.”

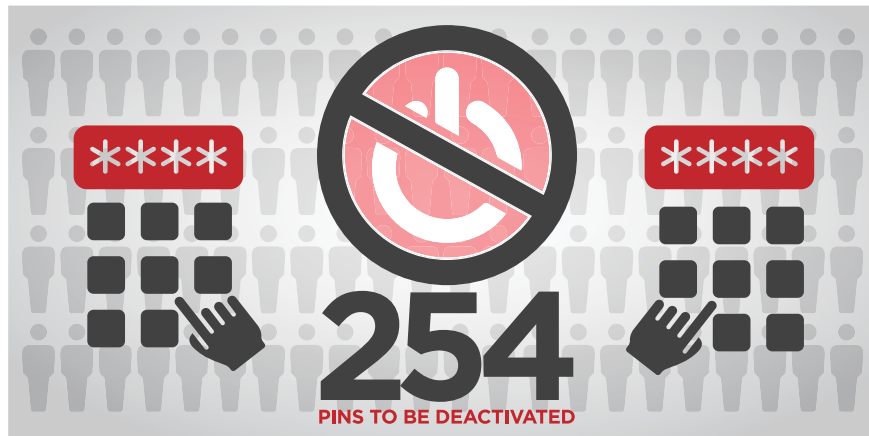
What the OIG Found

Fleet specialty card controls were not always effective in the Pacific Area. We reviewed a statistical sample of 207 transactions for fuel and non-fuel purchases and determined that:

- Eighty-nine of the 207 (43 percent) sample transactions were not supported by invoices or receipts.
- Sixty-two of 83 (75 percent) SEAM work orders were not created in the system for non-fuel transactions.
- Seventeen of 35 (49 percent) fleet specialty cards were missing and not available for use.
- None of the 20 delivery units properly managed the employee PIN lists through the Voyager Fleet Commander Online application. Specifically:
 - Fifty-two employees had multiple PINs.



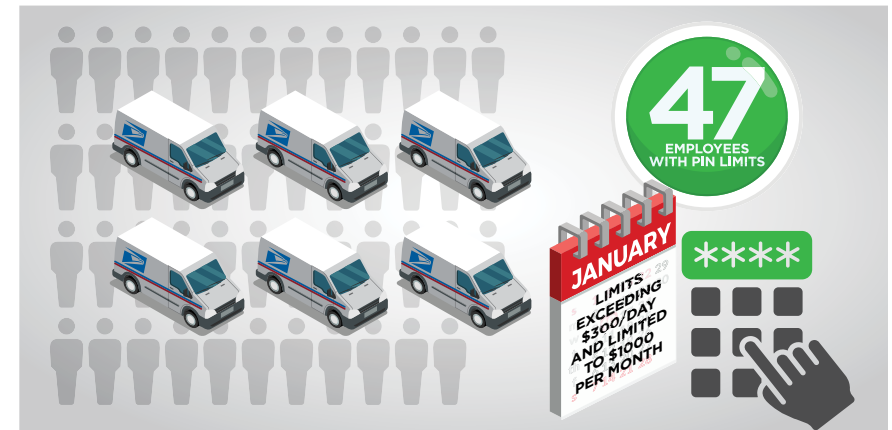
- 254 PINs needed to be deactivated.



- Thirty-three employees required a PIN.



- Six delivery units had 47 employees with PIN limits exceeding the \$300 per day and \$1,000 per month limit.



These conditions occurred because facility management did not:

- Ensure site managers certified and reconciled fleet specialty card transactions in the Fuel Asset Management System (FAMS) module.
- Receive Voyager eFleet Card training to complete the reconciliation process and secure all cards and PINS.
- Report lost or stolen cards for their facility.
- Ensure safeguards and controls were in place to properly secure and manage fleet specialty cards and PINs at their facility.
- Follow the Voyager Standard Operating Procedure and conduct the semi-annual reviews of PINs.
- Obtain authorization from VMF managers to increase PIN limits on fleet specialty cards and follow up with Voyager/US Bank to correct PIN limits.

As a result, we are unable to determine if transactions were appropriate and vehicle maintenance records were complete. We made referrals to our Office of Investigations, as appropriate. We estimated the Pacific Area incurred

approximately \$4.4 million in questioned costs for unsupported fleet specialty card transactions in FY 2017.

What the OIG Recommended

We recommended management:

- Ensure facility site managers/reconcilers complete the eFleet Card for Site Manager training reflecting latest policy updates.
- Issue a directive instructing site managers to ensure fleet specialty card transactions and related supporting documentation are reviewed at least monthly, maintained for two years, and provided to the appropriate vehicle maintenance facilities.
- Instruct site managers to follow the Voyager Standard Operating Procedures for monthly reconciliations and provide access to the FAMS.
- Direct site managers/reconcilers to report all missing Voyager fleet cards to servicing VMF or Voyager/US Bank based on district guidance.
- Direct site managers to conduct the semi-annual PIN reviews.
- Notify delivery units that VMF Management has responsibility to adjust PIN limits.


Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

July 17, 2018

MEMORANDUM FOR: LARRY P. MUNOZ
VICE PRESIDENT, PACIFIC AREA

E-Signed by Janet Sorensen
VERIFY authenticity with eSign Desktop


FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Retail, Delivery, & Marketing

SUBJECT: Audit Report – Fleet Specialty Card Management – Pacific
Area (Report Number DR-AR-18-009)

This report presents the results of our audit of the Fleet Specialty Card Management – Pacific Area (Project Number 18RG005DR000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Rita F. Oliver, Director, Delivery and Retail Operations, or me at 703-248-2100.

Attachment

cc: Corporate Audit Response Management
Postmaster General

Results

Introduction/Objective

This report presents the results of our self-initiated audit of the Fleet Specialty Card Management – Pacific Area (Project Number 18RG005DR000). The objective of our audit was to assess the effectiveness of controls over fleet specialty cards for delivery operations in the Pacific Area.

Background

The U.S. Postal Service operates one of the largest vehicle fleets in the U.S. In fiscal year (FY) 2017 there were 205,997 vehicles used primarily to deliver and collect mail. Fuel and maintenance services for these vehicles are purchased using the Voyager fleet cards.

Since 2000, the Postal Service has been part of the government commercial fleet card program under the General Services Administration's (GSA) SmartPay® Program. Voyager Fleet Systems Inc., owned by U.S. Bank, is the contractor responsible for operating the program. All fleet card transactions under this program are transmitted to the eFleet Card System, which authorizes Postal Service personnel to reconcile expenses charged to the Voyager cards.

The Postal Service's Fuel Management Category Management Center (FMCMC) is responsible for the general administration of the fleet card program, establishing policy and procedures, recouping taxes when manual intervention with the states is required, and serving as the primary liaison between the Postal Service and U.S. Bank/Voyager. Every postal-owned vehicle is assigned a fleet card that can only be used for the vehicle number embossed on the front of the fleet card. Postal Service vehicle operators use the Voyager fleet cards to pay for commercially purchased fuel, oil, and routine maintenance expenses up to the \$300 transaction limit.

“The Pacific Area’s eight districts paid \$10.2 million for 66,655 specialty card transactions during FY 2017.”

In addition to the fleet vehicle cards, the Postal Service has fleet specialty cards. The Vehicle Maintenance Facility (VMF) will determine how many fleet specialty cards are to be ordered. Specialty cards¹ include:

- Z Cards - issued to the site's finance number, used for washing numerous postal-owned vehicles at one time, paying for fuel or repairs for vehicles with lost, stolen, or damaged cards, or repairs to vehicles that exceed the \$300 transaction limit.
- M Cards - created to streamline and facilitate the mobile fueling payment process and to maintain consistency in providing local authority to buy fuel.
- V Cards - issued to leased or “vehicle hire” vehicles for providing fuel or maintenance.
- X Cards - issued to GSA vehicles for providing fuel or maintenance.

Site managers should monitor all fleet specialty card purchases to prevent unauthorized charges. Each month, they review and certify these transactions with supporting documentation, that will be maintained for two years.² Site managers must also ensure the VMF receives a copy of each maintenance invoice or receipt. The VMF enters the maintenance invoice or receipt details into a work order in the Solution Enterprise Asset Management (SEAM) system to maintain complete service records for each vehicle in the fleet. Additionally, site managers maintain and secure all fleet specialty cards and the personal identification number (PIN) list. PINs are confidential numbers randomly assigned to Postal Service employees and are used to authorize purchases made with fleet specialty cards.

The Pacific Area's eight districts paid \$10.2 million for 66,655 specialty card transactions during FY 2017. We selected the Pacific Area for audit based on our prior audits in other Postal Service areas and the percentage of specialty card transactions (41 percent) used for non-fuel transactions such as maintenance and repairs, towing, and vehicle washes.

¹ We did not identify “M” or “X” cards used in the Pacific Area for our audit scope period.

² The Postal Service uses the eFleet Card System (eFCS) to identify transactions that must be reconciled monthly. The eFleet Card System is the intranet portal that postal supervisors, managers, and other designated Fleet Card site managers use to monitor expenses incurred from the operation and maintenance of Postal-owned vehicles. In addition, this system allows authorized users to display and reconcile expenses for fuel, oil, repairs, washing, etc. that were charged to Voyager fleet cards.

Finding #1: Fleet Specialty Card Transactions Not Supported

Our analysis found 89 of the 207 (43 percent) sampled transactions had no invoices or receipts to support these transactions for the 151 delivery unit's specialty cards purchases (see Table 1).

Table 1. Unsupported Fleet Specialty Card Transactions

Sample Size	Number of Unsupported Transactions	Percent of Unsupported Transactions	Number of Supported Transactions	Percent of Supported Transactions	Questioned Costs
207	89	43%	118	57%	\$4,378,278

Source: OIG analysis of FAMS and Pacific Area documentation.

Additionally, vehicle maintenance records in the Pacific Area were not always supported for transactions occurring at the VMFs. Specifically, 62 of 83 (75 percent) SEAM work orders were not created for non-fuel transactions in the system (see Table 2).

Table 2. Fleet Specialty Card Support – Non-Fuel Transactions

Sample Size	Number of Fuel Transactions	Number of Non-Fuel Transactions	Non-Fuel Transactions Without Work Orders	Percent of Non-Fuel Transactions Without Work Orders
207	124	83	62	75%

Source: OIG analysis of SEAM, FAMS, and Pacific Area documentation.

These conditions occurred because management did not ensure site managers:

- Reconciled and certified specialty card transactions in the FAMS module
- Received and completed the eFleet Site Manager Training course to perform the specialty card transaction reconciliation process.

³ Voyager Fleet Card SOP, Section 4. Account Reconciliation, November 3, 2016.

⁴ Voyager Fleet Card SOP, Section 1.4. Training and Accountability, November 3, 2016.

- Maintained copies of invoices/receipts of specialty card transactions. The sites visited by the OIG had temporary/detailed personnel or site managers/reconcilers assigned to units less than one year (see Appendix B).
- Maintained copies of the latest Voyager Standard Operating Procedure (SOP) to ensure the review of specialty card transactions were correctly performed.

In subsequent discussions, Pacific Area management informed OIG they are working with the VMFs and delivery units to ensure all non-fuel work order transactions are reflected and supported in SEAM to reflect a more complete vehicle maintenance record.

According to the Voyager SOP, site managers must review eFleet reports for unauthorized use and unusual charges and every attempt should be made to secure a receipt or supporting documents for each transaction. The policy also stated acceptable supporting documentation includes signed hard copy documentation from the employee incurring the charge.

Also, the site manager/reconciler must file and retain this documentation for two years.³ Furthermore, the eFleet Site Manager Training course provides instructions for completing the specialty card procedures and following the reconciliation process. The Voyager SOP states any individual responsible for reconciling Fleet card activities must take this training.⁴

Without management oversight to ensure proper administration of receipts, invoices, or work orders supporting fleet specialty card transactions, site managers and VMF managers are unable to determine if transactions were appropriate and vehicle maintenance records were complete. We estimated the Pacific Area incurred about \$4.4 million in questioned costs for unsupported fleet specialty card transactions in FY 2017.

“Site managers must review eFleet reports for unauthorized use and unusual charges and every attempt should be made to secure a receipt or supporting documents for each transaction.”

Recommendation #1

We recommend the Vice President, Pacific Area, direct District Managers to ensure site managers/reconcilers complete the eFleet Card for Site Manager training reflecting latest policy updates.

Recommendation #2

We recommend the Vice President, Pacific Area, direct District Managers to issue a directive instructing site managers to ensure fleet specialty card transactions and related supporting documentation are reviewed at least monthly, maintained for two years, and provided to the appropriate vehicle maintenance facilities.

Recommendation #3

We recommend the Vice President, Pacific Area, direct District Managers follow the Voyager Standard Operating Procedures for Monthly Reconciliations and provide access to Fuel Asset Management System.

Our review found 17 of 35 (49 percent) fleet specialty cards at 18 of the 20 selected sites⁵ were missing and not available to staff (see [Appendix C](#)). These missing cards were authorized for purchases of \$2,016,000 per year. In addition, our analysis identified 52 active “V” cards,⁶ used for leasing vehicles in the Sacramento District. The district did not lease vehicles for their delivery units in FY 2017. We also found 33 of 52 active “V” cards were missing at the delivery units visited were authorized for purchases of \$624,000.

This occurred because site managers/reconcilers did not contact Voyager/U.S. Bank and complete the *USPS Voyager Card Account Maintenance Request Form* to report lost or stolen cards. Also, they had not completed the eFleet Card training course for site managers, which outlines Voyager fleet card security controls and the proper reporting of lost or stolen cards.

Postal Service policy requires if a card is lost or stolen, the site manager is required to contact Voyager/US Bank⁷ to report the lost or stolen card. During fieldwork, one unit⁸ took immediate corrective action and completed and submitted the *USPS Voyager Card Account Maintenance Request Form*, to report one missing fleet specialty card. We made referrals to our Office of Investigations, as appropriate. Without management oversight to ensure proper usage, security and oversight of the supporting fleet specialty cards, management cannot maintain prevent potentially fraudulent charges and unauthorized purchases to the Postal Service.

Recommendation #4

We recommend the Vice President, Pacific Area, direct District Managers to ensure site managers/reconcilers report all missing Voyager fleet cards to Voyager/U.S. Bank.

Finding #2: Missing Fleet Specialty Cards



5 We could not verify specialty cards from the Oakland – Civic Center Station and San Francisco Collection Unit as we did not physically visit facilities in the Bay Valley and San Francisco Districts.
6 “V” Cards are fleet specialty cards issued to lease or “vehicle hire” vehicles for providing fuel and/or maintenance.
7 *Voyager Fleet Card SOP*, Section 5.2 Lost/Stolen Cards, November 3, 2016.
8 Redondo Beach Post Office.



Finding #3: Employee Personal Identification Number Management

The 20 delivery units did not properly manage the employee PIN lists through the Voyager Fleet Commander Online (FCO) application. Also, for these 20 delivery units, there were 1,685 active PINs of which 52 employees had multiple PINs, 254 PINs needed to be deactivated (15 percent), and 33 employees required a PIN (see Appendix D). We also determined 47 employees had PIN limits in excess of \$300 per day and \$1,000 per month. We calculated the excess for purchasing authorization of \$5,076,000⁹ for these employees (see Table 3).

“The site manager is required to complete a formal semi-annual review of the PIN list and notify Voyager of any personal changes requiring a PIN addition, deletion or changes.”

Table 3. PINs More Than Authorized Limits

District	Site/Delivery Unit	Employees with PINs Above Authorized Limits	Unauthorized PIN Limit per Year	Total Unauthorized PIN Amount by Site/Delivery Unit
Bay Valley	Civic Center Station	13	\$108,000 ¹⁰	\$1,404,000
Honolulu	N/A	0	0	0
Los Angeles	Alameda Station	13	108,000	1,404,000
	Bell Gardens	4	108,000	432,000
	Wagner Station	7	108,000	756,000
Sacramento	N/A	0	0	0
San Francisco	San Francisco Collection Unit	5	108,000	540,000
Santa Ana	N/A	0	0	0
San Diego	Lake Elsinore	5	108,000	540,000

⁹ This is the calculated difference for over the \$1,000 monthly limit.

¹⁰ Voyager Fleet Card SOP, Section 2 Fleet Card Use, Controls, and Merchant Acceptance, November 3, 2016.

District	Site/Delivery Unit	Employees with PINs Above Authorized Limits	Unauthorized PIN Limit per Year	Total Unauthorized PIN Amount by Site/Delivery Unit
Sierra Coastal	N/A	0	0	0
Total		47		\$5,076,000

Source: OIG analysis of FCO, FAMS, and Pacific Area documentation.

This occurred because site managers/reconcilers did not:

- Complete the eFleet Card for Site Manager training to conduct the PIN reviews to maintain, and update the PIN list.
- Review the daily transaction purchase limit of \$300 and the 30-day cycle limit of \$1,000 per PIN, per month for delivery unit staff. Additionally, site managers did not have access to the *Driver Report*¹¹ in the FCO website.
- Maintain current Voyager SOP to be aware of current Postal Service policies.

The site manager is required to complete a formal semi-annual review of the PIN list and notify Voyager of any personal changes requiring a PIN addition, deletion or changes. Also, the site manager is responsible for terminating PINs when an employee leaves the Postal Service or transfers to another unit and for assigning PINs to new employees who require a PIN per Voyager SOP. Postal Service policy requires site managers to assign each driver with a randomly assigned PIN to be used with each card transaction to identify the individual authorizing the transaction.¹² Furthermore, changes to the card limits must be authorized and processed by the responsible VMF manager or their designee. VMF Managers must provide Voyager with designee names in writing/email.¹³

Completing the semi-annual reviews in FCO and following the current Voyager SOP reduces the possibility of fraud or misuse of the Voyager fleet specialty cards and PIN compromise.

Recommendation #5

We recommend the Vice President, Pacific Area, direct District Managers to ensure site managers conduct the semi-annual Personal Identification Number reviews.

Recommendation #6

We recommend the Vice President, Pacific Area, direct District Managers to notify delivery units that Vehicle Facility Maintenance Management has responsibility to adjust Personal Identification Number limits.

Management's Comments

Management agreed with our findings, recommendations, and monetary impact. However, management stated they objected to the report including the PIN Management section. Management stated that PIN Management is not specific to Fleet Specialty Cards, but globally applies to all fleet cards. Management further stated that PIN Management was outside of the scope of the audit.

In response to recommendation 1, management issued a memo to all district managers to ensure site managers/reconcilers complete the eFleet Card Site Manager training course reflecting the latest policy updates. Management's target implementation is August 31, 2018.

In response to recommendation 2, management issued a memo to all district managers to issue a directive instructing site managers to ensure fleet specialty card transactions and related supporting documentation are reviewed at least

¹¹ The *Driver Report* is an electronically-generated report in FCO used to monitor employees authorized to use PINs.

¹² *Voyager Fleet Card SOP*, Section 2.2.2 PIN Management, November 3, 2016.

¹³ *Voyager Fleet Card SOP*, Section 2.2.1 Limit Changes, November 3, 2016.

monthly, maintained for two years and provided to the appropriate vehicle maintenance facilities. Management's target implementation is August 31, 2018.

In response to recommendation 3, management issued a memo to all district managers to ensure they follow the Voyager Standard Operating Procedures for Monthly Reconciliations and provide access to the Fuel Asset Management System. Management's target implementation is August 31, 2018.

In response to recommendation 4, management issued a memo directing all district managers ensure site managers/reconcilers report all missing Voyager fleet cards to Voyager/U.S. Bank. Management's target implementation is August 31, 2018.

In response to recommendation 5, management issued a memo to all district managers to ensure site managers conduct semi-annual PIN reviews. Management's target implementation is August 31, 2018.

In response to recommendation 6, management issued a memo to all district managers to notify delivery units that Vehicle Maintenance Facility Management is responsible for adjusting PIN limits. Management's target implementation is August 31, 2018.

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

Evaluation of Management's Comments

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

Although management objected to include the PIN Management section in the report, the OIG's report objective was to assess the effectiveness of controls over fleet specialty cards for delivery operations in the Pacific Area. Controls include all aspects to manage the cards and the activities of units and site managers/reconcilers to secure, manage PINs, and reconcile card transactions to ensure that expenses incurred were valid for the Postal Service. Therefore, we reviewed and included the PIN Management section in this report because it was part of our review of card controls.

All recommendations require OIG concurrence before closure. The OIG requests written confirmation when corrective actions are completed. All recommendations 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.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our objective was to assess the effectiveness of controls over fleet specialty cards for delivery operations in the Pacific Area.

To meet our objective, we:

- Obtained and analyzed Postal Service computerized data on fleet specialty cards used at the area, districts, and delivery units, including data from FAMS and eFCS.
- Reviewed laws, regulations, and guidance related to the government commercial fleet credit card program under the GSA's SmartPay® Program and the Voyager Fleet Systems Inc., owned by U.S. Bank.
- Selected and analyzed a random sample of 207 fleet specialty card transactions in all eight districts consisting of 151 delivery units to verify if Voyager fleet specialty card procedures were being followed and review invoices/receipts or other supporting documentation for the sampled specialty card transactions.
- We visited 18 delivery units and nine VMFs in the Los Angeles, Sacramento, San Diego, Santa Ana, and Sierra Coastal districts, and contacted two delivery units and two VMFs in the Bay Valley and San Francisco districts. We did not call or visit the Honolulu district.
- Conducted physical observations at 27 facilities (18 delivery units and nine VMFs) to determine whether Voyager fleet specialty cards "V" and "Z" were properly safeguarded. The Pacific Area's specialty card inventory did not include "M" or "X" specialty cards.

- Reviewed local practices at each delivery unit visited to determine whether managers were properly reconciling questionable transactions according to established Postal Service policies.
- Interviewed Postal Service management and staff in the Pacific Area and at each location to determine what procedures they used to secure, issue, and monitor Voyager specialty cards assigned to delivery units.
- Obtained and analyzed the maximum monthly limit for each card and PIN limits and calculated the risk for a 12-month period (FY 2017). Completed interviews with delivery unit and VMF staff to identify root causes for not performing monthly reviews and validations of non-exception transactions.

We conducted this performance audit from February through July 2018 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 June 19, 2018 and included their comments where appropriate.

We assessed the reliability of computer generated data from the Postal Service's FAMS and U.S. Bank's Fleet Commander System data by reviewing related documentation and correspondence, internal controls, and interviewing knowledgeable Postal Service personnel. We determined the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

The OIG identified one prior audit related to the objective of this audit.

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (Millions)
<i>Fleet Specialty Cards – Eastern Area</i>	To assess the effectiveness of controls over Voyager fleet specialty cards in the Eastern Area.	DR-AR-17-002	3/27/2017	\$9.9

Appendix B: Unit Management Turnover

District	Site/Delivery Unit	Management on Detailed Assignment	Management < 1 year at Delivery Unit
Bay Valley	Civic Center Station		
	Bell Gardens Post Office	X	X
Los Angeles	Los Angeles – Alameda Station	X	X
	Los Angeles – Wagner Station		
	Redondo Beach Post Office		
	Auburn Post Office		
	Lodi Post Office		
Sacramento	Shingle Springs Post Office		
	Valley Springs Post Office		
	West Sacramento Post Office	X	X
	Woodland Post Office		X
San Diego	Lake Elsinore Post Office		
San Francisco	San Francisco Collection Unit		
Santa Ana	Monterey Park Post Office		
	Acton Post Office	X	X
	Bakersfield - Oildale Carrier Annex	X	
Sierra Coastal	Santa Clarita Post Office		X
	Visalia - Lovers Lane Station		
	Visalia - Town Center Station	X	X
	Woodland Hills Post Office	X	X
Total		7	8

Source: OIG analysis during our fieldwork.

Appendix C: Specialty Card Inventory

District	Site/Delivery Unit	Total Fleet Cards Assigned	Missing Cards
Los Angeles	Bell Gardens Post Office	1	1
	Los Angeles – Alameda Station	1	1
	Los Angeles – Wagner Station	1	0
	Redondo Beach Post Office	1	1
Sacramento	Auburn Post Office	1	0
	Lodi Post Office	1	0
	Shingle Springs Post Office	1	0
	Valley Springs Post Office	1	0
	West Sacramento Post Office	1	0
San Diego	Woodland Post Office	1	0
	Lake Elsinore Post Office	1	0
Santa Ana	Monterey Park Post Office	4	0
Sierra Coastal	Acton Post Office	2	2
	Bakersfield - Oildale Carrier Annex	3	2
	Santa Clarita Post Office	8	4
	Visalia - Lovers Lane Station	1	0
	Visalia - Town Center Station	1	1
	Woodland Hills Post Office	5	5
Total		35	17

Source: OIG analysis and Voyager U.S. Bank Card Listing Reports.

Appendix D: Personal Identification Number Analysis

District	Site/Delivery Unit	Site Manager/ Reconciler Used FCO to Manage PINS	Conducted Semi- Annual Reviews	Active PINS US Bank Driver Report	Number of Employees Needing Deactivated PINS	Number of Employees Assigned Multiple Active PINS	Number of Employees Who Required a PIN
Bay Valley	Oakland – Civic Center Station	No	No	97	23	3	0
Los Angeles	Bell Gardens Post Office	No	No	62	6	0	2
	Los Angeles – Alameda Station	No	No	202	39	14	0
	Los Angeles – Wagner Station	No	No	49	5	3	6
	Redondo Beach Post Office	No	No	165	11	0	11
Sacramento	Auburn Post Office	No		67	16	0	1
	Lodi Post Office	No	No	110	16	9	3
	Shingle Springs Post Office	No		29	3	0	1
	Valley Springs Post Office	No		16	2	0	0
	West Sacramento Post Office	No	No	53	12	4	6
	Woodland Post Office	No	No	74	3	0	1
San Diego	Lake Elsinore Post Office	No	No	54	3	1	2
San Francisco	San Francisco Collection Unit	No	No	46	11	1	0
Santa Ana	Monterey Park Post Office	No	No	78	10	2	0
Sierra Coastal	Acton Post Office	No	No	19	7	2	0
	Bakersfield - Oildale Carrier Annex	No	No	114	3	0	0
	Santa Clarita Post Office	No	No	186	29	9	0
	Visalia - Lovers Lane Station		No	86	36	4	0
	Visalia - Town Center Station			36	11	0	0
	Woodland Hills Post Office	No		142	8	0	0
Total		18	15	1,685	254	52	33

Source: OIG Analysis of FCO and Time and Attendance Collection System (TACS) data.

Appendix E: Management's Comments

LARRY MUNOZ
VICE PRESIDENT PACIFIC AREA OPERATIONS



July 11, 2018

LORI LAU DILLARD
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Fleet Specialty Card Management – Pacific Area (Report Number [DR-AR-18-DRAFT])

The Pacific Area has concluded its review of the draft Fleet Specialty Card Management – Pacific Area Report. Management agrees with the audit's findings and recommendations, but objects to including the PIN Management section because it amounts to an expansion of scope beyond the stated mandate of auditing Fleet Specialty Cards. Management agrees with the OIG that PIN management is an important card control tool to ensure the validity of credit card expenses incurred, but PIN management is not specific to Fleet Specialty Cards. Inasmuch as PIN management controls and activities apply globally to every fleet card, the corrective recommendations require an equally global response. Management therefore feels that either the PIN management section should have been removed from the audit report in lieu of a separate PIN management audit or that the report's title should have been changed to reflect the obvious expansion in its scope. The fact that similar audits including PIN management have been conducted in other Areas, to which management may not have objected, does not reduce our difficulties with this audit's enlargement in scope. In summary, management agrees that the OIGs recommendations will correct the identified anomalies; it only objects to the report's expansion beyond its stated intent of auditing Fleet Specialty Cards.

Regarding the Monetary Impacts, specifically the Unsupported Questioned Costs of \$4,378,278. Management agrees with the calculations in the statistical sampling the OIG used to project/estimate the Unsupported Questioned Costs:

1. Where a very small sample (207 transactions (0.31%) out of a population of 66,655 transactions) was used.
2. From the small sample, a percentage of 43% was derived from 89 of the 207 sampled transactions not having receipts on file.
3. The 43% derived from the statistical sampling was applied against the "value of the universe" (\$10,182,042), resulting in the amount of Unsupported Questioned Costs.

Management agrees that the hard copy receipts, supporting documentation, are of value in determining if transactions were appropriate and vehicle maintenance records were complete. But it should be noted that there is also an electronic review process (FAMS), where there are electronic records of all card transactions. The system is sophisticated enough to flag abnormalities. Local management review FAMS on a monthly basis and have the ability within the reconciliation process to question/challenge suspect transactions.

11255 RANCHO CARMEL DR
SAN DIEGO CA 92197

Finding #1: Fleet Specialty Card Transactions Not Supported:

Recommendation 1:

Vice President, Pacific Area, direct District Managers to ensure site manager/reconcilers complete the eFleet Card for Site Manager training reflecting latest policy updates.

Management Response/Action Plan:

Management agrees with the recommendation and has issued a memo to all District Managers to ensure all site managers/reconcilers complete the eFleet Card Site Manager for training reflecting latest policy updates.

Target Implementation Date:

August 31, 2018

Responsible Official:

Pacific Area, Delivery Programs Manager

Recommendation 2:

Vice President, Pacific Area, direct District Managers to issue a directive instructing site managers to ensure fleet specialty card transactions and related supporting documentation are reviewed at least monthly, maintained for two years, and provided to the appropriate vehicle maintenance facilities.

Management Response/Action Plan:

Management agrees with the recommendation and has issued a memo to all District Managers to issue a directive instructing site managers to ensure fleet specialty card transactions and related supporting documentation are reviewed at least monthly, maintained for two years and provided to the appropriate vehicle maintenance facilities.

Target Implementation Date:

August 31, 2018

Responsible Official:

Pacific Area, Delivery Programs Manager

Recommendation 3:

Vice President, Pacific Area, direct District Managers follow the Voyager Standard Operating Procedures for Monthly Reconciliations and provide access to Fuel Asset Management Systems.

Management Response/Action Plan:

Management agrees with the recommendation and has issued a memo to all District Managers to ensure they follow the Voyager Standard Operating Procedures for Monthly Reconciliations and provide access to Fuel Asset Management Systems.

Target Implementation Date:

August 31, 2018

Responsible Official:

Pacific Area, Delivery Programs Manager

Recommendation 4:

Vice President, Pacific Area, direct District Managers to ensure site manager/reconcilers report all missing voyager fleet cards to Voyager/US Bank.

Management Response/Action Plan:

Management agrees with the recommendation and has issued a memo to all District Managers to ensure all site managers/reconcilers report all missing voyager fleet cards to Voyager/US Bank.

Target Implementation Date:

August 31, 2018

Responsible Official:

Pacific Area, Delivery Programs Manager

Recommendation 5:

Vice President, Pacific Area, direct District Managers to ensure site managers conduct the semi-annual Personal Identification Number Reviews.

Management Response/Action Plan:

Management agrees with the recommendation and has issued a memo to all District Managers to ensure all site managers conduct the semi-annual personal identification numbers review.

Target Implementation Date:

August 31, 2018

Responsible Official:

Pacific Area, Delivery Programs Manager

Recommendation 6:

Vice President, Pacific Area, direct District Managers to notify delivery units that Vehicle Facility Maintenance Management has responsibility to adjust Personal Identification Number limits.

Management Response/Action Plan:

Management agrees with the recommendation and has issued a memo to all District Managers to notify delivery units that Vehicle Facility Maintenance Management has responsibility to adjust Personal Identification Number limits.

Target Implementation Date:

August 31, 2018

Responsible Official:

Pacific Area, Delivery Programs Manager

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Munoz", with a long horizontal flourish extending to the right.

Larry Munoz
Pacific Area Vice President



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