



JOHN NAIMO  
AUDITOR-CONTROLLER

## COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

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TO: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: John Naimo   
Auditor-Controller

**SUBJECT: DISTRICT ATTORNEY'S OFFICE – VOYAGER CARD REVIEW**

As part of our ongoing responsibility to ensure that County resources are safeguarded and that departments comply with County fiscal policies and procedures, we have reviewed the District Attorney's Office's (DA or Department) controls over its fuel credit cards (Voyager cards) issued under the State Voyager Fuel Credit Card Program. DA employees use Voyager cards to purchase fuel at retail gasoline stations when a County fueling site is not readily accessible.

Our review included interviewing DA personnel, evaluating DA's internal controls over Voyager cards, and reviewing Voyager card transactions and monthly reconciliations. The DA incurs approximately \$700,000 annually in Voyager card expenditures, and had 366 active Voyager cards at the time of our review. Our review covered transactions during the period from July 1, 2012 through September 30, 2013.

### Summary of Findings

DA management needs to improve its oversight of the Voyager card program. We noted significant deficiencies in the DA's controls over Voyager cards that resulted in a lack of accountability over the cards. For example, the DA did not have inventory records of Voyager cards, and did not track cards to ensure they were canceled and/or shredded when no longer needed. We also noted questionable purchases that the DA should have detected during regular monitoring. The following are examples of areas for improvement:

- **Voyager Card Assignments** - DA management needs to assign Voyager cards to individual employees and ensure employees sign cardholder agreements acknowledging that they have read and will comply with Voyager card policies and procedures. The DA assigns cards to vehicles, even though the County Fiscal Manual requires cards to be assigned to individuals. In addition, the DA does not require staff to sign a cardholder agreement. As a result, no individual can be held accountable for purchases made with the cards, and, due to record-keeping issues as noted in various sections of this report, it was not always clear who had possession of the card at a specific point in time, who made purchases with the card, or which vehicle was fueled.

*DA's attached response indicates that they are working with Voyager to re-issue Voyager cards to authorized individual employees who have signed a cardholder agreement acknowledging their responsibility and agreement to abide by Voyager card policies and procedures.*

- **Questionable Purchases** - DA management needs to ensure Voyager card purchases are adequately monitored and approved. We noted 180 purchases totaling \$8,256 were made with a card assigned to an inactive vehicle, including 64 purchases totaling \$3,018 that were made after the vehicle had been transferred to another department. We referred the questionable purchases to the Auditor-Controller's Office of County Investigations (OCI). However, because the DA does not assign cards to individual employees and had insufficient documentation of the purchases, OCI was unable to conclude who made the questionable purchases or what vehicles were fueled.

*DA's attached response indicates that, as a result of initial findings shared during our review, they took immediate physical inventory of the Department's Voyager cards and canceled all cards that could not be located or were no longer needed. In addition, the Department is in the process of developing and updating departmental policies to ensure they have appropriate controls over Voyager cards.*

- **Inventory Controls/Cancellations** - DA management needs to maintain adequate controls over their Voyager card inventory and ensure cards are canceled when they are no longer needed. We noted 47 of the DA's Voyager cards had not been canceled even though the vehicles to which they were assigned had been transferred to other departments or disposed of. One of the 47 cards was used to make the questionable purchases noted above. We also noted that the DA does not maintain a listing of Voyager cards and does not conduct annual reviews to ensure Voyager cards are still needed.

*DA's attached response indicates that they are finalizing and will implement a Voyager card policy that will include procedures for maintaining and reconciling*

*Voyager card inventory records. The policy will also contain procedures for conducting annual reviews to confirm Voyager cards are still needed, and for canceling and shredding cards that are no longer needed.*

- **Voyager Card Accountability** - DA management needs to maintain records of staff who have possession of Voyager cards at all times. At the two DA field units we visited, staff were supposed to sign a log when they checked out a vehicle and received the associated card. However, staff did not consistently use the logs. For example, at one of the two locations, staff had not signed the log for nine (64%) of the 14 pool vehicles in use at the time of our visit. As a result, there was no record of who had possession of the Voyager cards assigned to the vehicles. In addition, DA's Fleet Management section loans spare cards to various staff, but does not keep a record of who the cards are loaned to.

*DA's attached response indicates that their new Voyager card policy will outline procedures for signing out Voyager cards for pool vehicles, and for safeguarding and monitoring the cards. In addition, the DA has developed new sign-out forms for pool vehicles that include a method for recording receipt of Voyager cards and any expenses incurred.*

- **Inappropriate Purchases** - DA management needs to revise their policy to prohibit employees from using Voyager cards to purchase car washes. The DA's current policy allows employees to use Voyager cards to purchase car washes, which is contrary to County policy. During the 15-month period reviewed, DA staff used Voyager cards to purchase approximately \$16,000 in car washes.

*DA's attached response indicates that their new policy will disallow the use of Voyager cards to purchase car washes, and that they are looking into alternative methods to procure car washes.*

- **Reconciliations** - DA management needs to require supervisors to reconcile Voyager billing statements to receipts or other purchase documentation. Currently, Voyager bills are not sent to card users or their supervisors, and the section that approves payment of the bills does not compare the bills to receipts or other purchase documentation.

*DA's attached response indicates that their new policy will require supervisors and managers to reconcile monthly billing statements to purchase documentation and resolve any discrepancies. Supervisors/managers will also be required to sign and date the reconciliations and submit them timely to the division responsible for the overall management of Voyager cards.*

Details of these and other findings and recommendations are included in Attachment I.

**Review of Report**

We discussed the results of our review with DA management. The Department generally agreed with our findings and recommendations. DA's attached response (Attachment II) describes actions they have taken or plan to take to implement the recommendations in our report.

We thank DA management and staff for their cooperation and assistance during our review. If you have any questions, please contact me, or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:PH:RS:TK

**Attachments**

c: Sachi A. Hamai, Chief Executive Officer  
Jackie Lacey, District Attorney  
Public Information Office  
Audit Committee

**DISTRICT ATTORNEY'S OFFICE  
VOYAGER CARD REVIEW**

**Background**

The State Voyager Fuel Credit Card Program provides County Departments with alternatives for fueling County vehicles and equipment at retail gasoline (gas) stations, when a County fueling site is not geographically or readily accessible. The County Fiscal Manual (CFM) and County Purchasing Policy P-2850 for State Voyager Fuel Credit Cards (County Voyager Card Policy) requires fuel credit cards (Voyager cards) to be assigned to specific individuals who are authorized by their department head to purchase fuel. However, as noted in various sections in this report, the District Attorney (DA or Department) assigns Voyager cards to vehicles rather than to specific individuals. At the time of our review, the DA had 306 vehicles and 366 active Voyager cards. Of the 306 vehicles, 194 (63%) were assigned to individuals, 134 of whom were authorized to take the vehicle home. The remaining 112 (37%) vehicles were considered pool vehicles that could be checked out by staff for daily business use. The DA had more cards than vehicles, in part, because some Voyager cards should have been canceled. The DA indicated that the majority of take-home vehicles were assigned to law enforcement personnel whose duties required them to be immediately available to respond to emergencies, even after hours. The DA incurs approximately \$700,000 annually in Voyager card expenditures.

In a Board-requested report dated September 8, 2015, titled Voyager Fuel Credit Cards Automated Controls Review, we noted that departments have access to Fleet Commander Online (FCO), a web-based management and reporting tool that provides a number of automated methods that departments can use to help prevent and detect misuse of Voyager cards. For example, departments can place restrictions on the days Voyager cards can be used, and can obtain customized exception reports, such as reports of cards used to make multiple fuel purchases on the same day. However, we noted that not all departments used FCO, and some departments were not aware of FCO's full capabilities. As a result, County Voyager Card Policy and the CFM will be updated to require departments to use FCO. In addition, a Voyager program manager will be appointed to provide central oversight and ensure County departments are using FCO to manage and monitor Voyager card use.

The DA should immediately implement the recommendations in this report, as well as any new policies and procedures that are forthcoming, per our September 8, 2015 report.

**Scope of Review**

We reviewed the DA's compliance with the CFM, County Voyager Card Policy, and the Department's Voyager fuel credit card policies and procedures. Our review included interviews with DA management and staff, an evaluation of the DA's policies and procedures, a review of controls over cardholder activity, and a review of a sample of

Voyager card purchases during the 15-month period of July 1, 2012 through September 30, 2013.

## COMMENTS AND RECOMMENDATIONS

### Increased Management Oversight

DA management needs to increase its oversight of the Department's Voyager Fuel Credit Card Program. We noted significant deficiencies in the Department's controls over Voyager cards. For example, the DA's practice of assigning cards to vehicles instead of to specific individuals leads to a lack of accountability. In addition, the DA does not have inventory records for their Voyager cards, and was not always able to identify who had possession of a Voyager card at a specific point in time. We also noted that DA supervisors and managers do not review Voyager bills, and no one traces Voyager receipts or other purchase documentation to the bills. In addition, the DA did not adequately track cards to ensure the cards were canceled and/or shredded when they were no longer needed. For example, as noted in the Questionable Purchases section of this report, we noted 64 transactions totaling \$3,018 that occurred after the vehicle for which the card was assigned had been transferred to another County department. Due to the DA's lack of documentation, it is not clear who used the card or which vehicles were fueled.

To ensure all its Voyager cards are accounted for, the DA should immediately take a physical inventory of all the Department's Voyager cards and cancel cards that cannot be located or are no longer needed.

### Recommendations

#### **District Attorney management:**

- 1. Increase its oversight of the Voyager card program and maintain appropriate controls over Voyager cards and purchases.**
- 2. Immediately take a physical inventory of all the Department's Voyager cards and cancel cards that cannot be located or are no longer needed.**

### Questionable Purchases

When a vehicle is not being used (e.g., due to needed repairs, etc.), the DA puts the vehicle into "inactive" status, and retains the Voyager card assigned to the vehicle at a central location until the vehicle is dispositioned (e.g., repaired and put back in active service, transferred to another department, etc.). When a vehicle is transferred to another department or otherwise disposed of, the DA's procedure is to request that Voyager cancel the card assigned to the vehicle and to shred the physical card.

We noted one Voyager card that was used for 180 purchases totaling \$8,256 after the vehicle for which it was assigned was put in inactive status. Of the total purchases, 64 transactions totaling \$3,018 were made after the vehicle had been transferred to another department. For the 180 purchases:

- All were for premium fuel per the Voyager report, even though DA management indicated that employees are only allowed to purchase regular unleaded fuel.
- There were no odometer readings for 171 (95%) out of the 180 fuel purchases, even though DA's policy requires card users to enter odometer readings at the pump.
- The DA was unable to locate any of the 14 sample receipts we requested.
- 155 (86%) of the 180 purchases appear to have occurred outside of regular work hours (i.e., before 6:30 a.m., after 4:30 p.m., or on weekends), which is a red flag that DA management should have investigated.
- The purchases continued until the card expired approximately two years after the vehicle was first put in inactive status.

We referred the questionable purchases to the Auditor-Controller's Office of County Investigations (OCI) for further review. However, because the DA does not assign cards to individual employees and had insufficient documentation of the purchases, OCI was unable to conclude who made the questionable purchases or what vehicles were fueled. We have made various recommendations throughout this report for the DA to strengthen controls over Voyager cards. Implementing these controls will help to prevent/detect these types of questionable purchases.

### **Voyager Card Inventory Controls**

During our review, we noted significant issues with the DA's controls over their Voyager card inventory. As a result, there is a lack of accountability over Voyager cards and purchases made with the cards.

### **Voyager Card Assignments**

CFM Section 4.4.5 requires departments to assign Voyager cards to individuals and not to a vehicle or to multiple employees. In addition, department management must require cardholders to sign an agreement acknowledging that they have read and will comply with Voyager card policies and procedures when using their assigned Voyager card.

The DA assigns all of their Voyager cards to vehicles, not to individuals as the CFM requires. As a result, it is at times not possible to hold an individual accountable for purchases made with the cards, and, due to record-keeping issues as noted in various

sections of this report, it was not always clear who had possession of each card at a specific point in time, or who was using the card. In addition, the DA does not require staff to sign a cardholder agreement before using a Voyager card, or require management to authorize specific employees to use the cards, as County Voyager Card Policy requires. Therefore, employees may not be aware of their responsibilities for using Voyager cards and the documentation required to support purchases. To improve accountability over Voyager cards, DA management needs to work with Voyager to cancel the Department's Voyager cards and re-issue them to individual employees who will be responsible for maintaining security over the cards and ensuring cards are being used appropriately. DA management also needs to ensure management authorizes each issuance of a Voyager card, and ensure every employee who is assigned or loaned a Voyager card signs a cardholder agreement acknowledging they have read and will comply with Voyager card policies and procedures.

We noted that some DA vehicles are assigned to individual employees and some are assigned to vehicle pools. Voyager cards for vehicles assigned to an individual employee should be assigned to that employee. Voyager cards that will be used to purchase fuel for pool vehicles should be assigned to the person responsible for the vehicles in the pool. That person will be responsible for maintaining appropriate security over the cards and for ensuring the cards are being used appropriately. To allow management to track and monitor card usage, each Voyager card associated with pool vehicles should be assigned to a specific vehicle, and used only to fuel that vehicle. When employees check out a pool vehicle, they should sign a log or other documentation to indicate that they received the related Voyager card. In addition, prior to checking out a pool vehicle, employees should have signed a form agreeing that they are aware of and will comply with Voyager card policies and procedures.

We also noted that the DA has two "spare" Voyager cards that are loaned out when assigned Voyager cards are lost or inoperable. These cards should also be assigned to an individual who will be responsible for maintaining security over the cards and for ensuring the cards are being used appropriately.

### **Recommendations**

#### **District Attorney management:**

- 3. Work with Voyager to cancel the Department's Voyager cards and re-issue them to individual employees who will be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.**
- 4. Ensure management authorizes each issuance of a Voyager card, and that every employee who is assigned or loaned a Voyager card signs a cardholder agreement acknowledging they have read and will comply with Voyager card policies and procedures.**



5. **Assign Voyager cards that will be used to purchase fuel for pool vehicles to the person responsible for vehicles in the pool, who will also be responsible for maintaining security over the cards and that the cards are being used appropriately.**

### **Inventory Listing**

CFM Section 4.4.5 requires departments to maintain a list of staff with credit cards, re-evaluate the need for each credit card at least annually, and cancel unused or unnecessary credit cards.

We noted that the DA does not maintain an inventory listing of Voyager cards, but relies on Voyager's inventory listing. In addition, the DA does not annually evaluate if each Voyager card is still needed. To improve accountability over Voyager cards, DA management needs to establish and maintain a Voyager card inventory and conduct annual reviews to ensure Voyager card assignments are still needed. In addition, to ensure the accuracy of the Department's inventory, management should periodically reconcile their inventory records to Voyager's records.

### **Recommendations**

#### **District Attorney management:**

6. **Establish and maintain a Voyager card inventory.**
7. **Conduct annual reviews to ensure Voyager card assignments are still needed.**
8. **Periodically reconcile the Department's inventory records to Voyager's records.**

### **Voyager Card Cancellations**

CFM Section 4.4.5 requires Departments to cancel unused or unnecessary Voyager cards. As noted previously, the DA has been assigning Voyager cards to vehicles. Therefore, when the DA transfers or disposes of a vehicle, the associated Voyager card is no longer needed and should be canceled and shredded to prevent unauthorized use.

The DA indicated that they cancel and shred cards assigned to vehicles that have been transferred. However, we noted:

- 47 Voyager cards had not been canceled even though the vehicles to which the cards were assigned had been disposed of or transferred to another County department. As noted under the Questionable Purchases section of this report, one of the 47 cards was used to purchase over \$3,000 in fuel after the vehicle to which it was assigned was transferred to another department.

- The DA did not keep records of shredded cards, and therefore they did not have documentation to support that any of the 47 cards had been shredded.
- The person responsible for shredding the cards had possession of an additional two unshredded cards assigned to vehicles that had recently been transferred to other County departments. The two cards had not been used after the vehicles were transferred, but one of the cards was still active at the time of our review.
- The person responsible for shredding the cards indicated that five active cards for vehicles that had not yet been transferred/disposed had already been shredded. However, we were unable to confirm that the cards had been shredded due to lack of documentation.

Subsequent to our review, the DA canceled 41 of the 47 Voyager cards an average of 436 days after the vehicles had been disposed of or transferred. However, the remaining six cards were still active. For five of the six cards, the DA had not updated their vehicle inventory listing to show that the vehicles had been transferred. Therefore, staff may not have been aware that the cards should have been canceled.

To prevent unauthorized use of Voyager cards, the DA needs to ensure Voyager cards are immediately canceled and shredded when they are no longer needed. The DA also needs to keep records of shredded cards, and require independent verification that the cards were shredded.

### **Recommendations**

#### **District Attorney management:**

- 9. Ensure Voyager cards are immediately canceled and shredded when they are no longer needed.**
- 10. Keep records of shredded Voyager cards, including who shredded the cards and the date shredded, and require independent verification that cards were shredded.**

### **Voyager Card Security**

CFM Section 4.4.5 requires each credit cardholder to ensure their card is adequately secured by restricting access to it at all times. However, we noted that the DA did not keep adequate physical security over Voyager cards. We visited four DA locations and noted instances at each of the locations where Voyager cards were kept in unlocked drawers, unlocked cabinets, or in vehicle glove boxes.

We also noted that Voyager provides the ability to restrict usage of cards by assigning each card a unique Personal Identification Number (PIN). In addition, Voyager can place limits on total dollar transactions per month and the number of transactions per

day. However, the DA has not taken full advantage of these security measures. The DA has assigned the same PIN number to all of its Voyager cards, so that anyone who knows the PIN can use any of the DA's Voyager cards. In addition, there were no dollar or transaction limits placed on 32 (9%) of the DA's 366 cards. The remaining cards with dollar limits were restricted to \$1,000 of fuel purchases per month. DA management should evaluate monthly dollar limits for reasonableness.

### **Recommendations**

#### **District Attorney management:**

- 11. Ensure that all Voyager cards are kept in a secure location.**
- 12. Ensure all Voyager cards are assigned a unique Personal Identification Number.**
- 13. Ensure all Voyager cards are protected by reasonable dollar and transaction limits.**

### **Voyager Card Accountability**

To maintain accountability over Voyager cards, Department management needs to have records of who has possession of the cards at all times.

The two DA field units we visited used sign-out logs for pool vehicles. At these field units, we observed that Voyager cards assigned to pool vehicles were attached to the vehicle's keys. Therefore, it appeared that the individual who signed out a pool vehicle also took possession of the assigned Voyager card. However, at one of the two field units, nine (64%) of the 14 pool vehicles in use had not been signed out. We reviewed one month of purchases for three Voyager cards assigned to this unit and noted that for nine (41%) of the 22 purchases, totaling \$450, the vehicles had not been signed out at the time the purchases were made. Therefore, there is no record of who made the purchases. In addition, none of the sign-out logs included any record that staff had actually taken possession of Voyager cards assigned to the vehicles. To maintain accountability over Voyager cards, the DA should ensure all staff complete sign-out logs when they use a pool vehicle, and revise sign-out logs to include a method for recording receipt of a Voyager card.

We also visited the DA's Fleet Management section, which maintains vehicles that are new, temporarily out of service, or in the process of being transferred to other County departments. Fleet Management also has pool vehicles that are loaned to staff when regularly assigned vehicles are not available. Fleet Management is responsible for Voyager cards assigned to vehicles they maintain, plus two spare cards that are not assigned to any vehicle, but are loaned to staff as needed. On the day of our visit, Fleet Management was responsible for 25 active Voyager cards, but was unable to account for ten (40%) of the cards. According to the fleet manager, five of the ten cards had

been shredded. However, as noted in the Voyager Card Cancellations section (above), there was no record of the shredding and, although the cards were not used during the period reviewed, the cards remained active. The fleet manager also indicated that four Voyager cards were loaned out at the time, and one of the spare cards was at his home. However, because Fleet Management did not use sign-out logs, there was no documentation of who had possession of these five cards.

To maintain accountability over card usage, the DA should ensure there is a written record of who has possession of Voyager cards at all times. In addition, spare cards, which are not linked to a specific vehicle, should be monitored closely by an individual who does not have other Voyager cards responsibilities, to ensure the cards are being used appropriately. For example, a supervisor who does not have possession of spare or loaner Voyager cards should ensure sign-out logs are used, and should review purchases for appropriateness.

### **Recommendations**

#### **District Attorney management:**

- 14. Require staff to always use sign-out logs for pool vehicles, and revise sign-out logs to include a method for recording receipt of Voyager cards.**
- 15. Ensure the Department maintains a written record of who has possession of Voyager cards at all times.**
- 16. Safeguard and closely monitor the usage of spare or loaner Voyager cards.**

### **Separation of Duties**

CFM Section 4.1.3 requires the duties of approving, ordering, and receiving goods to be separated to minimize the risk of fraud and abuse. Lack of separation of duties for Voyager cards can lead to inappropriate/unauthorized transactions going undetected.

During our review, we noted that the individual who orders Voyager cards also receives the cards. In addition, the individual who requests Voyager cards on behalf of the Department also issues Voyager cards to staff, manages the Department's fleet (e.g., transfers vehicles to other County departments, etc.), notifies other DA staff when Voyager cards need to be canceled, shreds Voyager cards that are no longer needed, and keeps custody of spare and loaner Voyager cards. The DA needs to adequately separate these key responsibilities.

**Recommendation**

- 17. District Attorney management separate duties over Voyager cards (i.e., requesting, ordering, receiving, issuing, canceling, or shredding Voyager cards), so that no one person performs any combination of these key functions.**

**Inappropriate Purchases**

County Voyager Card Policy states that Voyager cards are to be used for fuel purchases only, and not for servicing County vehicles (e.g., car washes, oil changes, etc.). The current County Voyager Card Policy also states that cardholders should purchase regular grade unleaded fuel unless mid-grade or premium grade fuel is recommended by manufacturer specifications. During the period reviewed, the County Voyager Card Policy had not yet been updated to clarify that cardholders should only purchase regular grade fuel. However, prudent business practices dictate that regular grade fuel should be purchased if higher grade fuel, which is more expensive, is not required. DA management indicated that none of their vehicles require premium fuel, and that the Department only allows employees to purchase regular grade fuel.

We reviewed the DA's Voyager card activity for the 15-month period covered by our review and noted the following:

- 930 (6%) of the 16,300 fuel purchases during the 15-month audit period were for premium fuel. The Department paid on average \$0.09 more per gallon for these purchases than if staff had purchased regular fuel, or approximately \$1,037.
- More than 1,500 car washes totaling approximately \$16,000 were purchased during the 15-month audit period. In some instances, a Voyager card was used to purchase multiple car washes in one month. For example, one Voyager card was used to purchase seven car washes in one month.
- Sixty-three (4%) of the 1,500 car washes cost more than \$15 each, with some costing up to \$140. Based on the cost, it appears some of these transactions were for detailing services. One card had two detailing services totaling \$196 in a four-month period.

Although the DA's procedures allow employees to use Voyager cards to purchase car washes, including an annual detailing, this is contrary to County Voyager Card Policy. We also noted that some car wash locations allowed car washes to be redeemed on a future date. This reduces accountability because it is unclear what vehicle was being washed when the car wash was redeemed. The DA should use other methods of purchasing car washes that provide for greater accountability and comply with County policy.

### Recommendations

#### District Attorney management:

18. Require staff to purchase regular grade unleaded fuel unless mid-grade or premium grade fuel is recommended by the manufacturer specifications.
19. Require staff to immediately stop using Voyager cards to purchase disallowed items, such as car washes and detailing services.

### Monitoring Voyager Card Purchases

Departments need to monitor Voyager card purchases to ensure compliance with County policies, and to ensure purchases are appropriate and commensurate with employees' duties. Monitoring can detect non-compliance timely, allow for timely corrective action, and can help deter possible Voyager card misuse or inappropriate purchasing activity. We reviewed the Department's Voyager card monitoring processes and noted the following areas for improvement.

### Voyager Card Receipts

CFM Section 4.4.5 states that credit card purchases must be properly supported by original receipts, and that the vehicle number of the County vehicle being fueled must be documented on the receipt. DA policy also requires purchasers to include their name and vehicle mileage on the receipt.

We reviewed 25 Voyager card purchases and noted that the DA did not have receipts to support 12 (48%) of the purchases, totaling \$754. For the remaining 13 purchases, four receipts (31%) did not include some of the required information (i.e., employee name, vehicle number, and/or vehicle mileage) and two (15%) had a vehicle number that differed from the assigned vehicle.

Based on interviews with DA management and staff, it appears no one at the DA monitors to ensure employees turn in all Voyager receipts. In addition, the results of our review indicate that the DA does not sufficiently review receipts to ensure they contain the required information.

### Recommendations

#### District Attorney management:

20. Ensure staff maintain and submit receipts for all Voyager card purchases.

21. **Review Voyager card receipts to ensure they contain the required information (i.e., purchaser name, vehicle number, and vehicle mileage).**

### **Reconciliations**

CFM Section 4.4.5 states that cardholders should review monthly credit card billing statements to ensure the charges are correct and to identify and document any discrepancies. The CFM also requires cardholders' supervisors to reconcile monthly credit card billing statements with the purchase documentation (i.e., receipts) and resolve any discrepancies. The supervisor must sign and date the reconciliation indicating their review/approval.

DA management indicated that Voyager bills are not sent to card users or their supervisors for review. In addition, the section responsible for reviewing Voyager bills does not reconcile the bills to receipts or other purchase documentation. Any receipts that card users turn in to their supervisors are sent to a central location and stored, but are not reviewed.

DA management should ensure supervisors conduct timely reconciliations of monthly credit card billing statements to purchase documentation to ensure the charges are correct, and resolve any discrepancies. Supervisors should also sign and date the reconciliations.

### **Recommendations**

#### **District Attorney management:**

22. **Ensure supervisors conduct timely reconciliations of monthly Voyager card billing statements to purchase documentation, and resolve any discrepancies.**
23. **Ensure reconciliations are signed and dated by the reconciler indicating their review/approval.**

### **Transactions Requiring Additional Scrutiny**

The DA should review transactions that could indicate possible misuse of Voyager cards.

### **Odometer Readings**

The DA requires employees to enter vehicle odometer readings at the pump when they purchase fuel with a Voyager card. The odometer readings, which appear in various Voyager reports, can be used as a monitoring tool.

During the 15-month period of our review, 105 (0.6%) of the 19,005 transactions had zero listed in the Voyager system as the odometer reading. While the percentage of total transactions is small, it is significant because omission of odometer readings makes it difficult to monitor the appropriateness of fuel purchases and can be an indicator of questionable activity. For example, 83 of the 105 transactions with no odometer readings were for the one card discussed in the Questionable Purchases section of this report, where we noted that a Voyager card continued to be used after the vehicle to which it was assigned had been transferred to another department. If the DA had monitored transactions with no odometer readings, they may have detected the questionable purchases.

### **Same-Day Transactions**

Voyager cards should only be used to fuel the vehicle to which they are assigned. However, we noted instances where it appears Voyager cards were used to fuel multiple vehicles. We reviewed six sets of instances where a single Voyager card was used to make multiple fuel purchases on the same day, and noted that, for five of the six sets, it appears that two different vehicles were fueled. For example, two fuel purchases were made approximately one hour apart and the odometer readings varied by more than 10,000 miles. Other purchases occurred only minutes apart, which is also an indication that two different vehicles were fueled. Due to missing receipts or missing information on the receipts, there was no record of which two vehicles were actually fueled.

Multiple purchases on the same day using the same Voyager card are an indicator of possible misuse. The DA should scrutinize these transactions to ensure the Voyager card purchases are appropriate.

### **Recommendations**

#### **District Attorney management:**

- 24. Monitor Voyager reports and scrutinize questionable activity, such as transactions with no odometer readings or a single card used to make multiple purchases on the same day.**
- 25. Require staff to only use Voyager cards to purchase fuel for the vehicle to which the card is assigned, except in documented emergencies.**

### **Vehicle Mileage Logs and Other Monitoring Tools**

County Vehicle Policy requires staff driving County vehicles to log all trips and fuel stops on a County Vehicle Mileage and Safety Check form (Mileage Log). The DA's vehicle policy requires employees assigned a take-home vehicle to complete Mileage Logs, and employees using pool vehicles to complete a Trip Card each time they check out a car.



Mileage Logs identify vehicle drivers, trip dates, the address/location of specific trips, odometer readings, when the vehicle was fueled, and how much fuel was put into the vehicle. Trip Cards include much of the same information, but do not include an address or a record of fuel purchases, and are only for a specific trip (i.e., they are not a running log like a Mileage Log). Employees are supposed to submit Trip Cards to motor pool supervisors for review and approval when they return pool vehicles.

We noted that DA staff do not always complete Mileage Logs or Trip Cards. For example, the DA was unable to locate Trip Cards for 13 (81%) of the 16 transactions reviewed that were for pool vehicles. As a result, supervisors do not have access to critical information needed to evaluate the reasonableness of trips based on employees' work assignments and the appropriateness of fuel purchases given the number of miles the vehicle was driven. The DA should require staff to complete Mileage Logs and/or Trip Cards, and require supervisors to review Mileage Logs or Trip Cards in conjunction with fuel purchase receipts when verifying that purchases are appropriate. The DA should also revise their procedures to require staff to complete Mileage Logs for all vehicles, including pool vehicles. This would assist supervisors to monitor fuel purchases to ensure they are commensurate with miles driven. To avoid duplication of effort, DA management may want to consider eliminating Trip Cards and including any necessary information on Mileage Logs.

In addition to Mileage Logs, the DA has other tools available for monitoring Voyager card use. For example, as noted previously, the Department has access to FCO, which can generate exception reports when fuel purchases meet specific criteria (e.g., premium fuel purchases, weekend purchases, etc.). Although DA indicated that they review exception reports, they do not maintain copies of the reports or evidence of their review. Therefore, it is unclear how effective their reviews were or which reports they reviewed.

### **Recommendations**

#### **District Attorney management:**

- 26. Ensure drivers complete Mileage Logs each time they drive a County vehicle, as required by County Vehicle Policy. To avoid duplication of effort, DA management may want to consider eliminating Trip Cards and including any necessary information on Mileage Logs.**
- 27. Revise the Department's policy to require staff to complete Vehicle Mileage Logs for all vehicles, including pool vehicles.**
- 28. Require supervisors to review Vehicle Mileage Logs in conjunction with Voyager card receipts when verifying purchases are appropriate and that fuel purchases are commensurate with miles driven.**

29. **Use Fleet Commander Online management tools/reports to monitor Voyager card activity, and retain annotated reports as evidence of management's review.**

### Voyager Card Procedures

The DA has only limited written procedures for Voyager cards. The DA's procedures are not always in compliance with the CFM or the County Voyager Card Policy, and they are not distributed to all staff with Voyager card responsibilities. For example, the DA's procedures indicate that Voyager cards are issued to vehicles, not to individuals as the CFM requires. In addition, the procedures indicate that Voyager cards can be used for car washes and an annual detailing, even though prohibited by County Voyager Card Policy. The DA's procedures also do not require card users' immediate supervisors to review Voyager bills. Based on interviews with various DA staff, they were unaware of the existence of the DA procedures.

DA management needs to develop and implement formal written procedures detailing all aspects of and responsibilities for the Voyager card program, including the areas noted above. The procedures should comply with the CFM and the County Voyager Card Policy, and should be formally distributed to all DA staff with Voyager card responsibilities.

### Recommendations

#### **District Attorney management:**

30. **Develop and implement formal written Voyager card procedures that detail all aspects of and responsibilities for the Voyager card program and are consistent with the County Fiscal Manual and County Purchasing Policy P-2850.**
31. **Ensure Voyager card procedures are formally distributed to all Department staff with Voyager card responsibilities.**

### Federal Taxes

Federal law provides a fuel excise tax exemption when the sale of taxable fuels (e.g., gasoline, diesel) is for the exclusive use of any state or local government. To receive the fuel excise tax exemption, each County department must file an annual certificate (certificate) with the County's distributor, Voyager. Voyager applies the exemption on the department's monthly invoices. If the certificate is not filed, the department must pay the federal fuel excise taxes and file a claim with the Internal Revenue Service (IRS) to obtain a refund.

We noted that the DA had filed the required annual certificate and therefore received the fuel tax exemption for the period we reviewed. However, the DA was not paying the

federal fuel excise tax to the IRS on the personal portion of fuel purchases made by DA management and other employees who are allowed to drive County vehicles to and from work. The DA should work with County Counsel to determine the amount of past due fuel excise taxes owed for personal trips and remit these amounts to the IRS.

**Recommendations**

**District Attorney management:**

- 32. Work with County Counsel to determine the amount of past due fuel excise taxes owed for employees' personal use of County vehicles, and remit these amounts to the Internal Revenue Service.**
- 33. Ensure that future fuel excise taxes are paid on the fuel used by employees for personal use.**



JACKIE LACEY  
LOS ANGELES COUNTY DISTRICT ATTORNEY

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HALL OF JUSTICE  
211 WEST TEMPLE STREET, SUITE 1200 LOS ANGELES, CA 90012-3205 (213) 974-3500

December 18, 2015

TO: JOHN NAIMO  
Auditor Controller

FROM:  JACKIE LACEY  
District Attorney

SUBJECT: **DISTRICT ATTORNEY'S RESPONSE TO THE AUDITOR-  
CONTROLLER VOYAGER CARD REVIEW**

Attached is my Department's response to the recommendations contained in your Voyager Card Review. We have carefully considered the findings outlined in the review and have begun to implement the recommendations set forth. By March 31, 2016, the Department will complete a Voyager Card-Use policy and will distribute it to all employees who have Voyager cards or Voyager card responsibilities to further confirm the implementation of the recommendations within this review.

We appreciate the opportunity to have met with your staff to better understand the findings and include our response with your report.

If you have any questions or need additional information, please contact Priscilla Cruz, Director, Bureau of Administrative Services, at (213) 202-2774 or via email at [pcruz@da.lacounty.gov](mailto:pcruz@da.lacounty.gov).

JL:pc

Attachment

**DISTRICT ATTORNEY'S OFFICE  
RESPONSE TO THE AUDITOR CONTROLLER'S  
VOYAGER CARD REVIEW**

**RECOMMENDATIONS**

**Increased Management Oversight**

1. Increase its oversight of the Voyager Card Program and maintain appropriate controls over Voyager cards and purchases.
2. Immediately take a physical inventory of all the Department's Voyager cards and cancel any cards that cannot be located or are no longer needed.

*District Attorney Response: The Department has reviewed its practices and is in the process of completing and implementing changes in the management of the Voyager Card Program as set forth in these recommendations. As a result of initial findings shared during the review, the Department took immediate physical inventory of the Voyager cards and all cards that could not be located or were no longer needed were cancelled and destroyed. Further, the Department is finalizing a Voyager Card-Use policy and updating the Vehicle policy to develop appropriate controls over Voyager cards and purchases.*

**Voyager Card Assignments**

3. Work with Voyager to cancel the Department's Voyager cards and re-issue them to individual employees who will be responsible for maintaining security over the cards and ensuring the cards are being used appropriately.
4. Ensure management authorizes each issuance of a Voyager card, and that every employee who is assigned or loaned a Voyager card signs a cardholder agreement acknowledging they have read and will comply with Voyager card policies and procedures.
5. Assign Voyager cards that will be used to purchase fuel for pool vehicles to the person responsible for vehicles in the pool, who will also be responsible for maintaining security over the cards and that the cards are being used appropriately.

*District Attorney Response: The Department is working with Voyager to re-issue voyager cards to authorized individual employees who have signed a cardholder agreement acknowledging their responsibility and agreement to abide by the policies and procedures associated with the Voyager card. The Department is also finalizing a Voyager Card-Use policy that will outline the distribution and responsibilities of issuing Voyager cards to Pool Car*

**DISTRICT ATTORNEY'S OFFICE  
RESPONSE TO THE AUDITOR CONTROLLER'S  
VOYAGER CARD REVIEW**

*managers who will be responsible for the security and use of these cards for pool cars.*

Inventory Listing

6. Establish and maintain a Voyager card inventory.
7. Conduct annual reviews to ensure Voyager card assignments are still needed.
8. Periodically reconcile the Department's inventory records to Voyager's records.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will outline procedures for establishing and maintaining the Voyager card inventory, ensure periodic reconciliation of department and voyager records, and direct an annual review of Voyager card assignments to confirm they are still needed by each card holder.*

Voyager Card Cancellations

9. Ensure Voyager cards are immediately canceled and shredded when they are no longer needed.
10. Keep records of shredded Voyager cards, including who shredded the cards and the date shredded, and require independent verification that cards were shredded.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will outline procedures that clearly indicate that Voyager cards should be cancelled and shredded when no longer needed. Further, the policy will ensure that all of the required information and records about the card cancellation is kept and that there is documented independent verification of the shredding of each card as this occurs.*

Voyager Card Security

11. Ensure that all Voyager cards are kept in a secure location.
12. Ensure all Voyager cards are assigned a unique Personal Identification Number.
13. Ensure all Voyager cards are protected by reasonable dollar and transaction limits.

**DISTRICT ATTORNEY'S OFFICE  
RESPONSE TO THE AUDITOR CONTROLLER'S  
VOYAGER CARD REVIEW**

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will outline procedures that will ensure employees are directed to store the Voyager card in a secure location. The Department is working with Voyager to issue new cards assigned to employees by name, with Personal Identification Numbers. The Department has also limited the dollar transaction limits as well as the number of transactions that can occur in a given period of time.*

**Voyager Card Sign-Out Logs**

14. Require staff to always use sign-out logs for pool vehicles, and revise sign-out logs to include a method for recording receipt of Voyager cards.
15. Ensure the Department maintains a written record of who has possession of Voyager cards at all times.
16. Safeguard and closely monitor the usage of spare or loaner Voyager cards.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will outline procedures for signing out pool cars and signing out Voyager cards issued to employees responsible for managing the use of Pool cars. New forms have been developed to include a method for recording receipt of voyager cards and expenses incurred for pool car users. The referenced policy will address the safeguarding and close monitoring of the cards assigned to employees responsible for Voyager cards to be signed out to employees using pool cars.*

**Separation of Duties**

17. District Attorney Management separate duties over Voyager cards (i.e., requesting, ordering, receiving, issuing, cancelling, or shredding Voyager cards), so that no one person performs any combination of these key functions.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will outline how the separation of duties will occur in requesting, ordering, receiving, issuing, cancelling and shredding of Voyager cards.*

**Inappropriate Purchases**

18. Require staff to purchase regular grade unleaded fuel unless mid-grade or premium grade fuel is recommended by the manufacturer specifications.

**DISTRICT ATTORNEY'S OFFICE  
RESPONSE TO THE AUDITOR CONTROLLER'S  
VOYAGER CARD REVIEW**

19. Require staff to immediately stop using Voyager cards to purchase disallowed items, such as car washes and detailing services.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will disallow the use of Voyager cards to purchase items such as car washes and detail services. Further, the policy will note that only regular grade unleaded fuel may be purchased with the Voyager card, unless the manufacture specifications for the county vehicle being driven recommends a different or premium fuel grade. The Department is looking into alternative methods to procure car washes that comply with the County Fiscal Manual and County Procurement rules.*

Voyager Card Receipts

20. Ensure staff maintain and submit receipts for all Voyager card purchases.
21. Review Voyager card receipts to ensure they contain the required information (i.e., purchaser name, vehicle number, and vehicle mileage).

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will direct employees assigned or using a Voyager card to maintain and submit receipts for Voyager card purchases and to note on each receipt the employee/purchasers name, vehicle number, vehicle mileage, and any other information necessary to fully evaluate the appropriateness of the purchase.*

Reconciliations

22. Ensure supervisors conduct timely reconciliations of monthly Voyager card billing statements to purchase documentation, and resolve any discrepancies.
23. Ensure reconciliations are signed and dated by the reconciler indicating their review/approval.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will direct supervisors and managers to conduct timely reconciliations of monthly billing statements with purchase documentation and to address and resolve any discrepancies with their employees responsible for the Voyager card transaction. The policy will require the supervisor/manager to sign, date and timely submit their reviewed and approved reconciliations to the division responsible for the overall management of the Voyager cards.*



**DISTRICT ATTORNEY'S OFFICE  
RESPONSE TO THE AUDITOR CONTROLLER'S  
VOYAGER CARD REVIEW**

Transactions Requiring Additional Scrutiny

24. Monitor Voyager reports and scrutinize questionable activity, such as transactions with no odometer readings or a single card used to make multiple purchases on the same day.
25. Require staff to only use Voyager cards to purchase fuel for the vehicle to which the card is assigned, except in documented emergencies.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will include procedures for supervisors and managers to review and approve all purchases and ensure all appropriate and requested information is fully documented and submitted by the employee to whom the Voyager card is issued. Voyager cards will also be issued to employees rather than to vehicles, which will improve the management of the use of each card. Further, the Department will work with Voyager to maximize the use of appropriate tools to require odometer reporting each time the Voyager card is used to purchase fuel.*

Vehicle Mileage Logs and Other Monitoring Tools

26. Ensure drivers complete Mileage Logs each time they drive a County vehicle, as required by County Vehicle Policy. To avoid duplication of effort, DA management may want to consider eliminating Trip Cards and including any necessary information on Mileage Logs.
27. Revise the Department's policy to require staff to complete Vehicle Mileage Logs for all vehicles, including pool vehicles.
28. Require supervisors to review Vehicle Mileage Logs in conjunction with Voyager card receipts when verifying purchases are appropriate and that fuel purchases are commensurate with miles driven.
29. Use Fleet Commander Online management tools/reports to monitor Voyager card activity, and retain annotated reports as evidence of management's review.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that will include improved Mileage Logs and other monitoring tools consistent with these recommendations. Mileage logs will be developed and required to be used in every car, including pool cars to include information such as employee/driver's name, date and time, purpose of trip, starting, destination(s) and ending mileage, and documented Voyager*

**DISTRICT ATTORNEY'S OFFICE  
RESPONSE TO THE AUDITOR CONTROLLER'S  
VOYAGER CARD REVIEW**

*card purchases. These tools will be reviewed and monitored by supervisors/managers for employees assigned Voyager cards. Further, the Fleet Commander Online management tools/reports made available by Voyager will be utilized to improve the overall Voyager card program in the Department.*

Voyager Card Procedures

30. Develop and implement formal written Voyager card procedures that detail all aspects of and responsibilities for the Voyager card program and are consistent with the County Fiscal Manual and County Purchasing Policy P-2850.
31. Ensure Voyager card procedures are formally distributed to all Department staff that have Voyager card responsibilities.

*District Attorney Response: The Department is finalizing and will implement a Voyager Card-Use policy that fully responds to the recommendations set forth in this review and that is fully compliant with the County Fiscal Manual and County Purchasing policies. Further, each Voyager card holder and all employees who have Voyager card responsibilities will be made aware of this policy and their responsibilities as they will receive a copy of the final completed policy. Voyager card holders will also be required to sign an Employee Acknowledgement/Agreement in which their responsibilities will be clearly written. The policy and full distribution will be completed by March 31, 2016.*

Federal Taxes

32. Work with County Counsel to determine the amount of past due fuel excise taxes owed for employees' personal use of County vehicles, and remit these amounts to the Internal Revenue Service.
33. Ensure that future fuel excise taxes are paid on the fuel used by employees for personal use.

*District Attorney Response: The Department will work with County Counsel to determine the amount of past due fuel excise taxes owed for employees' personal use of County vehicles and will work with them to determine how to remit any past due taxes to the Internal Revenue service. Also, we have determined which card holders should not receive the fuel excise tax exemption and will remove this exemption from those assigned Voyager cards immediately.*