

BRIEFLY...

**Highlights of Report Number: 22-05-008-04-431, to the Assistant Secretary for Employment Standards.
September 2005**

WHY READ THE REPORT

The Federal Employees' Compensation Act (FECA), administered by the Employment Standards Administration (ESA), was enacted in 1916 to provide workers' compensation coverage to Federal and Postal workers around the world for employment-related injuries and occupational diseases. Benefits include wage replacement, payment for medical care, and where necessary, medical and vocational rehabilitation assistance in returning to work. The program has twelve district offices nationwide.

The Labor Department relies on data, submitted by the district offices, to assess whether or not the program is achieving its yearly goals, and if changes are needed to make it more effective. Congress may review performance information in making decisions about future program funding.

WHY OIG DID THE REVIEW

We conducted our review to determine the completeness and reliability of the CY 2003 data used to support the FY 2003 performance goal 2.2C: "Minimize the human, social, and financial impact of work-related injuries for workers and their families." We selected FECA data from CY 2003 for our review. Six district offices were randomly selected for our review.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:
<http://www.oig.dol.gov/publicreports/oa/2005/22-05-008-04-431.pdf>.

September 2005

GPRA Data Validation Review, FECA Program

WHAT OIG FOUND

Based on our review, we concluded that reductions in payments of Periodic Roll Management (PRM) benefits, due to the death of a claimant, are included in the FECA Program's computation of savings generated in the first year. Accurate recording of the reduction in PRM benefit payments is critical because the FECA GPRA goal addresses first year savings generated through use of PRM in the FECA program. The PRM module of the Sequent System calculates savings by comparing benefit payment amounts before and after FECA resolves a case through a change or termination of benefits due to disability, reemployment or death. The six district offices we visited resolved 2,683 cases in CY 2003. Of these, 739 cases (27 percent) were resolved due to claimant deaths, which resulted in benefit payment reductions of \$1,334,190.

WHAT OIG RECOMMENDED

To improve the completeness and reliability of the Federal Employees' Compensation Act performance data, we recommend that the Assistant Secretary for Employment Standards ensure the FECA Program excludes cases resolved due to claimants' death from the calculation of savings generated through use of Periodic Roll Management.

ESA concurred with the recommendation and provided information about actions taken and planned to address the recommendation.