



SEP 5 2007

Attachment B

MEMORANDUM FOR ELLIOT P. LEWIS

**Assistant Inspector General
for Audit**

A handwritten signature in black ink, appearing to read "Victoria A. Lipnic", with a stylized flourish at the end.

FROM: VICTORIA A. LIPNIC

**SUBJECT: U. S. Postal Service's Schedule Award Program
Audit Recommendation
Draft Management Letter Report No. 03-07-005-04-431**

This responds to your September 13, 2007 memorandum requesting comments on the subject draft letter report. ESA has reviewed the report and our response is provided below.

You recommend that the Assistant Secretary for Employment Standards require OWCP to perform the following:

Recommendation:

"Include in its training for employing agencies the methodology to verify the accuracy of the Schedule Award payments in the charge back report. The training should include how employing agencies can locate COLA percentages used in their verification.

Additionally, the training should be designed to delineate responsibilities between OWCP and the employing agencies so that employing agencies do not attempt to readjudicate the percentage of impairment."

Response:

OWCP concurs with the recommendation.

The payment of the schedule award based on the determined percentage of impairment is the responsibility of the OWCP claims examiner and each award is certified by a senior, journey level, or supervisory claims examiner. Schedule awards are included in OWCP's accountability reviews of the district offices to ensure quality. The agency is provided a copy of the CA-181 that shows the accepted percentage of impairment, the pay rate, and the period of the award. They can then review payments to ensure they are in accordance with the CA-181 and bring any errors to OWCP's attention.

All of the applicable COLAs are applied annually on March 1st. The percentage of the COLA is published in a bulletin and posted on the FECA web site each year. Agencies can also contact the FECA fiscal office to verify the amount.

OWCP agrees to include in its training for employing agencies the methodology for verifying the accuracy of the Schedule Award payments, including how they can locate COLA percentages. Training will also differentiate the responsibilities of OWCP for adjudicating the percentage of impairment from the employing agencies' role of reviewing the accuracy of the award.