

U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



CENSUS BUREAU

***Preparing for Census 2010: Follow-up
Review of the Workers' Compensation
Program at the Census Bureau Reveals
Limited Efforts to Address Previous
OIG Recommendations***

***Final Inspection Report
No. IPE-18592/September 2007***

Office of Inspections and Program Evaluations






UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

September 28, 2007

MEMORANDUM FOR: Charles Louis Kincannon
Director
U.S. Census Bureau

Otto Wolff
Chief Financial Officer and Assistant Secretary for Administration

FROM: 
Elizabeth T. Barlow
Acting Inspector General

SUBJECT: Final Inspection Report: *Preparing for Census 2010: Follow-up Review of the Workers' Compensation Program at the Census Bureau Reveals Limited Efforts to Address Previous OIG Recommendations (IPE-18592)*

We are pleased to provide you with the final report on our follow-up review of the Census Bureau's implementation of recommendations related to the bureau in our March 2006 report¹ on the Department's management of workers' compensation. We thank you for your comments on our July 31, 2007, draft report and your agreement to continue to take actions to address our recommendations. We have considered both of your responses in preparing our final report. The entire responses are provided as appendices to this report.

While conducting our follow-up review, we found the bureau had made little progress in developing a strategy to return current claimants back to work and effectively manage a workers' compensation program for the 2008 dress rehearsal or the 2010 operations. Decennial and field operations managers at the bureau's headquarters told us they had not fully addressed our March 2006 report and its recommendations regarding decennial operations and a workers' compensation strategy because of internal debate over the appropriate direction of the bureau's plan and other pressing priorities, such as the move into a new headquarters facility. We found only a few of the bureau's employee handbooks and training materials had been updated with additional information on workers' compensation, and those that had did not include the specific guidance called for in our 2006 recommendations. For example, the administrative manuals for the regional Census centers and local Census offices for the two dress rehearsal sites were updated to incorporate additional guidance on supervisors' responsibilities for managing workers' compensation, but they did not include detailed instructions for returning workers' compensation claimants to work, such as information on how to create modified or light duty temporary positions. We also found limited coordination among Census headquarters, regional, and local staff on returning current claimants to work, including those who were injured in the

¹ U.S. Department of Commerce Office of Inspector General, March 2006. *Management of Commerce's Federal Workers' Compensation Program Needs Significant Improvements*, IPE-17536.



1990 and 2000 decennial censuses. Further, we found that regional and local office staff had received little, if any, targeted training or guidance on managing workers' compensation for the 2008 dress rehearsal. Dress rehearsal operations began in Spring 2007 and will continue through much of 2008. It is important that Census managers and the Department work together to develop a comprehensive workers' compensation strategy that appropriately addresses the bureau's temporary workforce and identifies suitable opportunities to return injured employees to work during both the dress rehearsal and 2010 decennial operations.

The Census Bureau did not agree with several of the findings in our draft report, but we are pleased that it has concurred with all four of our recommendations to strengthen management of its workers' compensation program and help reduce the costs of the 2008 dress rehearsal and the 2010 Census. The bureau indicated that it had already completed some actions and was taking additional steps to address the remaining concerns outlined in the report. We acknowledge these recent efforts and the bureau's ongoing dialogue with the Department, and have updated other information in our report based on the bureau's response.

Commerce's Chief Financial Officer and Assistant Secretary for Administration concurred with our recommendation that the Department work with Census to help reduce costs related to the decennial census by strengthening the bureau's management of its workers' compensation program. His response to our draft report indicates that the Office of Human Resources Management's (OHRM's) Office of Occupational Safety and Health continues to take additional actions to address this recommendation and those from our March 2006 report.

INTRODUCTION

The Federal Employees Compensation Act (FECA) provides compensation benefits to civilian federal employees due to personal injury, illness, or disease sustained while in performance of official duties. It provides compensation for lost wages, monetary awards for bodily impairment or disfigurement, medical care, and vocational rehabilitation until the employee can return to work in either his/her original position or a suitable alternative position. FECA benefits are available to permanent and temporary employees as well as to survivors.

The Department shares responsibility for administering the FECA program with the Department of Labor's Office of Workers' Compensation Programs (OWCP). DOL has sole responsibility for deciding whether to allow or deny claims, and it administers FECA benefits for all Department of Commerce employees. Commerce is responsible for providing pertinent information on which DOL bases its decisions. Since 1994 Commerce has had a centralized FECA program administered by OHRM. Under this arrangement, the Department handles FECA claims for all its bureaus except the United States Patent and Trademark Office. However, Commerce bureaus and supervisors also have FECA responsibilities, including supporting claimants, reviewing DOL's chargeback reports, and helping to return claimants to work when they are able. FECA costs are borne by the Department of Commerce—not DOL.

OIG issued a comprehensive report on the Department's workers' compensation program in March 2006. During that review, we found the Census Bureau's FECA costs totaled

approximately \$5.59 million (out of a departmental total of almost \$14.5 million) for the period of July 1, 2004, to June 30, 2005. The bureau's FECA costs were much higher during the conduct of the 2000 decennial census. The bureau paid almost \$14.2 million in FECA benefits for the period of July 1, 2000, to June 30, 2001. The unique nature of intermittent work at Census complicates administration of its FECA program. While temporary Census workers may be Commerce employees for only a limited time, they are eligible for workers' compensation benefits if injured while working for the bureau. Once these employees have recovered or are ready to return to work, their temporary appointments should not preclude them from returning to work in a short-term position. However, if such employees are not offered a job, they can remain on Census's FECA rolls indefinitely, and over the course of a claimant's lifetime, he or she can be a considerable expense to the Department and the bureau. In fact, our March 2006 review of Census's FECA rolls identified 44 active claims from the 1990 decennial and 183 from the 2000 decennial. Census officials said it was difficult to find new or suitable work opportunities for these individuals because its offices for the 1990 and 2000 decennials had closed by the time these employees were ready to return to work. Despite Census's relatively unique situation with a temporary workforce and short-term work availability, the bureau should consider its long-term FECA costs and take appropriate action to minimize those costs relative to the overall expenditures for administering the decennial Census.

This follow-up review of the Census workers' compensation program was focused on assessing the bureau's and Department's progress in (1) implementing our 2006 recommendations regarding Census's FECA program, and (2) identifying ways that the bureau can better manage the program, contain FECA costs for the 2008 dress rehearsal and 2010 decennial operations, return current claimants to work, whenever feasible, and help prevent unnecessary FECA costs by undertaking effective training programs and other management controls and oversight.

We conducted our fieldwork from March 2007 through June 2007. We held discussions with Census's Chief Financial Officer, its Director of Human Resources, safety office staff, decennial and field operations management, and Census's Seattle and Charlotte regional office staff overseeing the 2008 dress rehearsal, as well as local Census office staff at the two dress rehearsal sites in Stockton, California, and Fayetteville, North Carolina. On May 23, 2007, we met with Census's Chief Financial Officer, its Director of Human Resources, and decennial and field operations senior managers to discuss our findings and recommendations. We also discussed our findings and recommendations with the Department's Deputy Director of Human Resources Management and his staff on July 26, 2007.

OBSERVATIONS AND CONCLUSIONS

Census Has Not Fully Implemented Its August 2006 Action Plan. In its August 2006 action plan, Census outlined steps it would take to implement the recommendations made to the bureau in the March 2006 OIG report on workers' compensation. However, during this follow-up review, we found that Census had implemented few of our recommendations and had not taken most of the steps outlined in its action plan.

OIG recommended Census develop a comprehensive FECA program for the 2010 decennial, that includes (1) guidance for supervisors/managers on how to handle FECA claims immediately upon initiation through case management; (2) a return-to-work strategy, complete with modified temporary positions to quickly bring injured enumerators or others back to work if they are injured during the decennial; and (3) identification of current claimants who could be offered a job in the 2010 decennial preparations and/or operations and brought back to work. In addition, we recommended that Census review all of its FECA cases in conjunction with OHRM's Office of Occupational Safety and Health (OOSH) and identify those employees able to return to work, whether in a permanent or temporary capacity, and take necessary actions to bring those employees back to work as soon as possible.

In its August 2006 action plan, Census reported it would take the following steps to address our recommendations:

Actions to Be Taken By October 2006 (Target Implementation Date)

- Develop workers' compensation training in consultation with OHRM's Office of Occupational Safety and Health (OOSH);
- Convene a meeting between the Census Safety Office and the field decennial and administrative staff to develop a comprehensive return-to-work strategy for injured 2010 decennial employees;
- Cooperate with OOSH to identify current FECA claimants who could be offered jobs in the 2010 census or preparatory activities; and
- Provide augmented workers' compensation guidance in decennial training and manuals.

Actions to Be Taken By January 2007 (Target Implementation Date)

- Strategize a means to rehire FECA claimants within existing appointing authorities;
- Acquire contract staff to support the expanded workload;
- Review FECA cases and augmented re-employment activities.

Census managers advised us during our follow-up review that due to multiple factors, including relocating staff to Census's new headquarters facility, the bureau had not implemented many of its planned initiatives for managing workers' compensation and bringing 1990 and 2000 decennial claimants back to work. For example, they reported that the bureau has not yet incorporated comprehensive guidance on workers' compensation and returning to work into the decennial manuals. They said that this guidance will be developed and incorporated into the manuals on an incremental basis targeted to the requirements of specific operations, since many dress rehearsal and decennial operations have customized training and guidance materials.

In addition, during our review and at our exit conference, some Census managers questioned whether it is actually time efficient to train and retrain supervisors on workers' compensation. They said they did not want to put the mission of the Census Bureau (providing an accurate and timely count of the population) in jeopardy by requiring regional offices to have a more hands-on role in managing workers' compensation. Following issuance of our draft report and as a result of further discussions among the Census field operations, decennial management, and human resource managers, the bureau decided, as noted in its response to our draft report, that it would implement a regionally-based return-to-work program during the 2010 decennial. However, Census must still determine the appropriate roles and responsibilities of regional and field office staff when developing workers' compensation guidance and training. For example, should field office supervisors routinely follow-up with injured claimants to verify their return-to-work status? Would this role be more effectively performed at the regional office and/or headquarters level? As of May 23, 2007, when we met with senior bureau officials, these roles and responsibilities were not yet developed.

Census headquarters officials also told us at the start of our follow-up review that they may have been overzealous in estimating how quickly they could develop relationships and coordination between Census, OHRM, and OWCP and prepare a viable workers' compensation strategy, as promised in its August 2006 action plan. However, by the end of our fieldwork, Census managers stated that they were optimistic about future collaboration. As a first step in the coordination process, Census HR officials attended a May 22, 2007, training session organized by OHRM in which Labor's OWCP discussed return-to-work strategies.

Since issuance of our draft report in July 2007, the Census Bureau has reportedly reached internal agreement on an integrated approach for a more robust workers' compensation program strategy. The bureau stated that it continues to work with OHRM on finalizing the specific approach and determining the proper resource allocations and contract vehicle options to best meet the needs of the program.



Census's Response to OIG Draft Report and OIG Comments

Census disagreed with our statement that its coordination with the Department's OHRM only began in earnest in March 2007 and that it had not taken the steps outlined in its August 2006 action plan. The bureau stated that it has been working with the Department since May 2006 to obtain access to the DOL and DOC workers' compensation file and tracking systems and chargeback information for Census Bureau cases. We acknowledge these preliminary efforts. However, based on our discussions with Census and Department personnel during our review, the bureau had not resolved its approach internally, let alone begun to work with OHRM to develop a strategy for effectively managing its workers' compensation program and designing a return-to-work strategy before early Spring 2007. We have acknowledged above several steps that the bureau has reported that it has taken since issuance of our draft report.

Census Needs to Augment Its Workers' Compensation Training and Guidance in the Training Manuals to Be Used for the Dress Rehearsal and the Decennial. As previously noted, our March 2006 report recommended that Census develop guidance for supervisors/managers on how to handle FECA claims immediately upon initiation through case management. In response to this recommendation, Census reported in its action plan that it had set an October 2006 target implementation date for developing its own workers' compensation training in consultation with OOSH. However, during our follow-up review, we found the bureau was still developing its workers' compensation training program and had not fully addressed our recommendation. The bureau provided us with copies of OOSH training materials and said it would use them and other material as it continues to revise its own headquarters, field and decennial guidance for management of workers' compensation.

The bureau also reported during the follow-up review that it had provided all newly-appointed supervisors with training on "Safety Responsibilities for Managers and Supervisors." This training was part of a mandatory human resources management course as well as a video teleconference provided to regional office supervisors and managers in October 2006. Our March 2006 report acknowledged the bureau's efforts to provide safety training to prevent or minimize FECA claims. Additionally, during this follow-up review, one of Census's regional office employees reported that Census occasionally holds conferences for administrative specialists from regional offices where they learn, among other things, the function of Labor's OWCP, which forms to use when an employee sustains a work-related injury, and how to apply new Occupational Safety and Health Administration laws and regulations.

Despite these efforts, we found there is still a need for augmented workers' compensation training and better guidance on managing the program. Our interviews with 14 employees who are responsible for administering or supervising the workers' compensation programs in the Seattle and Charlotte regional offices and the Stockton and Fayetteville local Census offices revealed that most of them did not receive workers' compensation training from Census or learn how to handle FECA claims on the job. Although newly-appointed Census supervisors receive safety training, some regional and local Census supervisors we spoke with told us that the training they received did not include detailed instructions for managing workers' compensation claims, such as guidance on how to identify suitable employment when the claimant is able to return to work. One manager noted a need for a step-by-step timeline or quick reference guide on workers' compensation, citing the following example: 4 days into the address canvassing dress rehearsal exercise, one local Census office received two workers' compensation claims; supervisors had to stop and shuffle through the office manuals to determine how to submit a claim in the midst of managing other critical activities, whereas a quick reference guide might have been more user friendly.

Our March 2006 report also recommended that the Department educate its safety specialists, supervisors, other employees, and its workers' compensation contractor² on the importance of adequately identifying third parties responsible for claimant injuries at the time the claim is filed. In the report, we noted that OOSH had not emphasized the need for claimants or supervisors to

² Commerce has a workers' compensation contractor that handles the administration and follow-up on the Department's short-term workers' compensation claims, except for those of USPTO. Long-term claims are managed by OHRM.

(1) identify third-party involvement in accidents or injuries on FECA claim forms and (2) follow up with the Labor Department's OWCP on third-party claims. In response to our recommendation, OHRM stated "third-party cases are covered in basic supervisor training programs and supervisors are instructed to pay special attention to potential third-party cases, including informing OOSH and/or [the Department's contractor]." However, during our follow-up review, managers and staff in the regional and local Census offices reported that they are either not familiar with reporting requirements for third-party claims related to workers' compensation or did not receive any training on the subject. If such claims are identified, accepted by OWCP, and successfully pursued, the federal government can recover damages and lost wages from third parties responsible for the injuries or their insurance companies, ultimately saving the Census Bureau money.

In its August 2006 action plan, Census reported that it would include additional workers' compensation guidance in decennial manuals to address our recommendation that Census develop guidance for its supervisors and managers on how to handle FECA claims. In addition, the Department reported that by December 31, 2006, Census was to introduce an updated version of the supervisors' handbook "written specifically for the 2010 decennial with specific standards and practices." However, that has not happened. Instead, for the dress rehearsal, the regional offices are using the *Regional Census Center Administrative Manual (DX-520)*, dated September 1, 2006. The "Workers' Compensation Program" chapter in the manual explains which forms the supervisor needs to fill out for different types of injuries and contains record keeping and file management information. Additionally, the manual states that supervisors should prepare a report each quarter, updating the field division on employees who return to duty. However, the manual does not provide adequate guidance for supervisors on following up with injured employees. It merely instructs managers and supervisors to ensure that employees "return to work as soon as possible," and states that "every effort should be made to return an employee to work, even if it is in a light duty status or if the employee's term of appointment is nearing its end." The manual further directs that supervisors should immediately consult with the administrative specialist upon learning that an injured employee is available to return to work on either full or light duty. The manual does not provide any additional guidance on a return-to-work strategy, including instructions on how to identify modified temporary positions or when to follow up with an injured employee.

Figure 1: Third Party Definition and Examples

Third Party Claim: If a person or company is not working as a federal employee or operating as a federal agency, they are considered third parties. If third parties cause injuries to a federal employee while in work status, they are liable for the injuries they caused, even if they are only responsible for part of the employee's injuries.

Common examples of third party injuries include:

- *Car accidents* – third parties involved in car accidents with federal employees should pay for the injuries they cause.
- *Trips and falls on private property* – property owners should pay if a federal employee is injured because of the condition of the property.
- *Broken chairs and other equipment* – manufacturers of equipment used by federal employees should pay for injuries that occur when the equipment fails.

Source: 20 CFR 10.705 and Department of Labor's CA-1 form

We reviewed copies of the *Regional Census Center Administrative Manual* (DX-520) and four 2008 dress rehearsal employee handbooks that Census headquarters provided us. We also reviewed (DX-1024), the supervisor manual used for group quarters' validation. (See Table 1.)

Table 1. A Sample of Census Bureau Employee Manuals Covering FECA

Manual No.	Name	Applicable Chapter
<i>General Administrative Manuals for the Decennial Operations</i>		
DX – 501	Local Census Office Administrative Manual	Chapter 15: Safety
DX – 520	Regional Census Center Administrative Manual	Chapter 11: Workers' Compensation Program Chapter 10: Safety, Accidents, and Injuries
<i>Specific Employee Manuals for the Decennial Operations</i>		
DX – 590	Census Employee Handbook for Enumerators, Recruiting Assistants, and Crew Leader Assistants – 2008 Census Dress Rehearsal	Chapter 5: Personal Safety and Security
DX – 591	Census Employee Handbook for Crew Leaders and Field Operations Supervisors – 2008 Census Dress Rehearsal	Chapter 5: Personal Safety
DX – 592	Census Employee Handbook for Office Clerks – 2008 Census Dress Rehearsal	Chapter 5: Personal Safety
DX – 593	Census Employee Handbook for Office Operations Supervisors for Recruiting, Field Operations, and Administration – 2008 Census Dress Rehearsal	Chapter 5: Personal Safety
DX – 1024	Group Quarters Validation, Group Quarters Supervisor Manual – 2008 Census Dress Rehearsal	Chapter 1: Introduction (Safety)

Source: Census Bureau

While the *Local Census Office Administrative Manual* (DX-501) instructs employees to notify their supervisor when the physician releases the employee for limited or light duty activities, we found none of the other manuals we reviewed included this guidance. According to Census, DX-520 is used to produce manuals specific to each decennial operation. However, Census did not incorporate the updated information on returning to work developed for the DX-501 or DX-520 manual into the DX-590, DX-591, DX-592, DX-593 or DX-1024 supervisor and administrative staff manuals for the dress rehearsal. After our inquiries, Census's human resources division alerted decennial administrative staff to the fact that none of the DX-520 workers' compensation guidance was incorporated into the dress rehearsal manuals for crew leaders and field operations supervisors and staff and requested that it be done. Despite these revisions, the current DX-501 and DX-520 guidance on returning employees to work still does not meet the intent of our original recommendation.

It is essential that Census provide workers' compensation training and guidance to supervisors/managers and administrative staff responsible for these activities. Such training and guidance on handling and preventing unnecessary or excessive FECA claims should cover third-party liability, return-to-work strategies, and management/placement of employees. During dress rehearsal and decennial preparations, it is important for Census staff to understand their respective roles in managing claims beyond the initial filing, such as following up with injured employees and finding suitable employment for temporary workers.



Census's Response to OIG Draft Report and OIG Comments

While Census concurred with our recommendation, the bureau disagreed with our conclusion that it has not developed adequate workers' compensation training or included adequate guidance in the training manuals to be used for the 2008 dress rehearsal and the 2010 decennial census. The bureau stated that due to the temporary nature of the decennial census and the high turnover among first- and second-level supervisors, it has currently assigned most duties for managing workers' compensation to the regional and headquarters offices. Census indicated that chapter 10 in the *Regional Census Center Administrative Manual* (DX-520) provides detailed instructions for the regional Census center administrative specialist to provide prompt notification of work-related injury to the headquarters Decennial Applicant, Personnel and Payroll System (DAPPS), and safety offices. However, this primary administrative manual (DX-520) only provides instructions on notification procedures for the regional Census center administrative specialist and does not provide guidance to other members of the bureau's staff that also have FECA responsibilities.

The bureau also stated that once its return-to-work plan is finalized, it will complete the development and implementation of new decennial training and administrative manuals in advance of Census 2010 operations. While Census noted that it plans to maintain the primary responsibility for managing workers' compensation in the regional and headquarters offices, it is still important that first- and second-level supervisors in the field understand their FECA roles, the employee's role, and the importance of containing FECA costs. All Census employees with FECA responsibilities—whether employed at the headquarters, regional, or field level—should be provided with training and training manuals that effectively communicate the elements of FECA, their role in the bureau's new workers' compensation program, and the responsibilities that come with the bureau's proposed rapid return-to-work program. Our review of the current manuals indicated that they do not provide guidance on a comprehensive return-to-work program or on each person's role and responsibility for effectively carrying out the program, including viable alternatives for returning employees back to work and the importance of early documentation of third-party liability. Furthermore, we found the bureau did not provide adequate training to field level supervisors about administering the workers' compensation program and the importance of containing FECA costs.

Census Headquarters and Regional Staff Have Not Developed or Implemented a Workers' Compensation Return-to-Work Strategy for the 2008 Dress Rehearsal or 2010 Decennial Operations. Another recommendation in our March 2006 report was for Census to develop a return-to-work strategy for the decennial and lead-up operations. In its action plan, Census reported that by October 2006 the safety office and the field and decennial staff would meet to develop a comprehensive return-to-work strategy. Fifteen months after issuing our March 2006 report, and eight months after the target implementation date provided in Census's action plan, we found little evidence that a strategy exists. The Census safety office reported that it has

prepared a preliminary strategic plan to address our recommendation, but at the time of our review, the plan was still in development and subject to change. Staff in the Decennial Management Division, the Census division partly responsible for implementing any such policies for decennial operations, told us they had not implemented our March 2006 recommendations and that decennial managers had not met with Census's human resources division to discuss the decennial management's role in workers' compensation. Regional and field office staff also confirmed that Census headquarters has failed to implement any new workers' compensation programs to address our recommendation. Since dress rehearsal operations began in April 2007 and continue through August 2008, it is critical that Census develop a proactive plan for reemploying claimants as it hires thousands of temporary employees leading up to the 2010 decennial.

In its response to our draft report, Census also noted that 4 of 5 FECA claimants injured during the 2007 dress rehearsal operations have returned to work. According to Census, the claimant in the remaining case did not request continuation of pay and has been approved for medical benefits only.



Census's and the Commerce Chief Financial Officer and Assistant Secretary for Administration's Responses to OIG Draft Report and OIG Comments

Census disagreed with our finding that headquarters and regional staff have not developed or implemented a workers' compensation return-to-work strategy for the decennial. Specifically, the bureau reported that its human resources division and field operations division have agreed on an integrated approach to a more robust return-to-work strategy that includes increased headquarters oversight and management. We have not been provided details on an approved strategy. The bureau's response also indicates that it still is engaged in a dialogue with the Department's OHRM to finalize that approach. We look forward to receiving additional information on the bureau's regionally based return-to-work strategy in its action plan.

The CFO's response indicated that the Department's OHRM is working closely with Census on procedural and operational aspects of its workers' compensation program, which includes further defining roles and responsibilities and improving methods for returning employees to work where medically feasible. His response also stated that OHRM is assisting senior-level managers in the Census Bureau to identify the internal and external resources that will be needed to effectively respond to the caseload of injuries expected during the 2008 dress rehearsal and 2010 decennial. According to the CFO's response, the Department plans to issue a performance-based contract for the management of its short- and long-term workers' compensation claims. The new contract services will increase focus and attention on the need to better handle new decennial cases as well as those from previous censuses. In addition, the CFO's response stated that the Department's OHRM has established a Department-wide workers' compensation working group to coordinate efforts in returning employees to work. The working group, which includes the Census Bureau, held two meetings in July and August and will reconvene October 3, 2007. The October meeting will include training for bureau personnel on returning injured employees to work.

Census and the Department Have Begun Identifying Claimants From the 1990 and 2000 Decennial Operations Who Could Be Offered Jobs For the 2010 Decennial and Preceding Operations. In response to our March 2006 recommendations, Census reported in its August 2006 action plan that it would identify current FECA claimants (those injured in the 1990 and 2000 or subsequent decennial operations) who could return to work in 2010 decennial operations or the preceding activities. However, at the time of our review, Census had not yet taken the necessary steps to identify claimants who might be located in areas where they could be offered dress rehearsal or other 2010 decennial-related jobs. Census management reported that it took the bureau time to get OWCP's list of claimants although it did receive access to OWCP's data system as well as the Department's case files. However, we found that the bureau's coordination in reviewing these files with OHRM only began in earnest in Spring 2007. Census's human resources division told us in September 2007 that it had hired a part-time, experienced human resources specialist in June 2007, to work exclusively on re-employment of current decennial claimants, and it recently hired one full-time employee (on board as of September 17, 2007) who will also review Census workers' compensation claimant case files and identify those who could possibly return to work during the remaining dress rehearsal operations or other 2010 operations. As of June 22, 2007, OHRM had already identified six decennial Census claimants as viable return-to-work candidates and passed on the list to Census's human resources division. However, we note that at that time, OHRM had only reviewed case files from the national capital region and these six claimants are not located near the dress rehearsal sites.

Our analysis of all Census 1990 and 2000 decennial claimants and their corresponding DOL district office location did not identify anyone located in the Stockton area (covered by DOL's San Francisco, California district office); however we did find several persons whose claims are managed by DOL's Jacksonville, Florida district office and may be located in the area covering the Fayetteville operations. In response to our draft report, the bureau noted that its review of zip codes for Census's 1990 and 2000 decennial claimants indicated that no current claimants were located in the immediate Fayetteville area and as a result could not be re-employed for the dress rehearsal operations.

In response to our draft report, the bureau reported that it has obtained access to data systems that provide the bureau with the necessary information to review case files and determine which claimants might be viable return-to-work candidates. To date, the bureau reported that it has issued letters to 73 periodic roll recipients from the 1990 and 2000 decennial censuses to request information necessary to formulate job offers for 2010 decennial operations.

The bureau's August 2006 action plan also indicated that Census planned to request flexibility from the Office of Personnel Management to address current hiring limitations caused by the temporary nature of its workforce and limited work options. Most decennial employees work in local Census offices that are only open during the decennial, dress rehearsal, or other decennial test operations. In addition, most temporary Census appointments last less than 90 days, while DOL regulations mandate a 90-day minimum job offer to FECA claimants returning to work. According to its response to our draft report, Census has now developed an alternative to bring claimants back to work. In addition, the bureau is looking at other ways to rehire claimants, including OWCP's vocational rehabilitation program. This program can help provide suitable temporary employment, but it is expensive because Census would have to pay the Labor

Department for training or additional education provided to Census's FECA claimants to enable them to gain the necessary skills to work in a new position outside of Census or the federal government.

It is important that the bureau continue to work with OHRM and OWCP to identify those claimants who are ready to return to work and find them suitable employment as soon as possible, including in the dress rehearsal, other Census or Department positions, or the 2010 decennial operations. FECA benefits for current 1990 and 2000 decennial claimants now cost the bureau approximately \$217,646 per month. Identifying and offering suitable jobs to claimants who are eligible to return to work can offer significant cost savings for the bureau and its 2010 decennial operations.



Census's and the Commerce Chief Financial Officer and Assistant Secretary for Administration's Responses to OIG Draft Report and OIG Comments

The Census Bureau concurred with our third and fourth recommendations related to identifying current FECA claimants who could be offered jobs in the 2010 census and evaluating and adopting appropriate hiring flexibilities, as necessary, to enhance its ability to rehire decennial claimants. The bureau stated that it continues to discuss future plans with the field division and decennial management to identify positions that could be filled by return-to-work candidates.

In its response, the bureau also indicated that its human resources division has developed an alternate, more expeditious plan of action and implemented procedures to enable the bureau to rehire FECA claimants within existing appointing authorities. Specifically, the bureau indicated that it intends to implement a plan to offer employment to current periodic roll claimants from previous censuses as well as to Census 2010 claimants who cannot be rehired during current operations or whose cases cannot be resolved through its "decennial rapid return-to-work program." On September 20, 2007, we were provided a draft copy of the bureau's preliminary return-to-work initiative for long-term periodic roll claimants. We acknowledge the bureau's efforts to establish a return-to-work strategy, and we encourage it to work with the Department's OHRM and DOL to further develop that strategy and get DOL's approval of its return-to-work strategy and overall implementation plan. We look forward to receiving more specific information on this in the bureau's action plan, including how Census will make job offers that meet Labor's FECA requirements.

The CFO's response stated that OHRM is facilitating arrangements to send departmental workers' compensation case files from the regional offices of DOL's Office of Workers' Compensation Programs to Commerce headquarters. He stated that this will eliminate the need to travel to DOL's regional offices and enable the Department and Census to more easily obtain the medical information needed to identify and process potential return-to-work cases.

Recommendations:

To follow up on our current review and our 2006 report, we recommend that the Director of the Census Bureau work with the Department's Office of Human Resources Management, and Labor's Office of Workers' Compensation Programs, as appropriate, to ensure that the following actions are taken to strengthen management of the Census workers' compensation program and help reduce the costs of the 2008 dress rehearsal and the 2010 Census:

1. Develop and implement a comprehensive Census 2010 workers' compensation management initiative, incorporate the initiative into dress rehearsal and 2010 decennial training and administrative manuals, and ensure all relevant headquarters, regional, and field staff are trained on the initiative. The guidance and training should specify supervisors' and employees' roles and responsibilities for preventing and handling new FECA claims, including identification of third party liability.
2. Ensure that the bureau's human resources, decennial management, field operations, and administrative staff work together to develop and implement a comprehensive return-to-work strategy for injured 2010 decennial employees, as well as current claimants on Census's FECA rolls, and incorporate the strategy into the 2008 dress rehearsal and decennial training and administrative manuals. The strategy should include:
 - a. A plan of action and implementation procedures to enable the bureau to rehire FECA claimants within current appointing authorities.
 - b. A timetable, responsibilities, and step-by-step procedures for headquarters, regional and field offices, managers, line-office supervisors, and employees to follow for returning injured employees to work;
 - c. Identification of specific positions suitable for return-to-work claimants based on physical limitations, including information on how to identify alternative jobs.
3. Identify current FECA claimants who could be offered jobs in the 2010 census or the preparatory operations and work with the Department of Labor and Commerce's Office of Human Resources Management to return them to work as soon as possible. If suitable job offers are not accepted, work with the Department and Labor to remove them from FECA rolls.
4. Evaluate and adopt appropriate alternative hiring flexibilities to enhance Census's ability to rehire decennial FECA claimants or expedite their employment by other government agencies or private employers.

To follow up on our current review and OIG's 2006 report, we recommend that the Department's Chief Financial Officer and Assistant Secretary for Administration:

1. Work with the Director of the Census Bureau to ensure that immediate actions are taken to help reduce the costs of the 2008 dress rehearsal and 2010 Census by strengthening Census's management of its workers' compensation program.

Please provide us with an updated action plan within 60 days that outlines the actions you have taken or plan to take to address our recommendations. We thank you and other Census and OHRM personnel for their assistance and for the courtesies extended to us during our review. If you or your staff has any questions or comments about our report, please contact me on (202) 482-4661, or Jill Gross, Assistant Inspector General for Inspections and Program Evaluations, at (202) 482-2754.

Cc: Teresa Angueira
Theodore A. Johnson
Marilia A. Matos
Tyra Dent Smith
Deborah Jefferson

The Census Bureau's Response to OIG Draft Report



UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
Washington, DC 20233-0001
OFFICE OF THE DIRECTOR

SEP 11 2007

MEMORANDUM FOR Jill Gross
Assistant Inspector General for Inspections and
Program Evaluations

From: Theodore A. Johnson *Barbara Sherry for*
Audit Resolution Officer

Subject: Draft Inspection Report: *Preparing for Census 2010: Follow-up
Review of the Workers' Compensation Program at the Census
Bureau Reveals Limited Efforts to Address Previous OIG
Recommendations (IPE-18592)*

The attached contains the U.S. Census Bureau's response to the above-referenced draft audit report. Thank you for the opportunity to review and comment on this document prior to publication.

Attachment

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**Preparing for Census 2010: Follow-up Review
of the Workers' Compensation Program at
the Census Bureau Reveals Limited Efforts
to Address Previous OIG Recommendations
Report No IPE-18592, July 2007**

General Comments:

Since our initial response to the Office of the Inspector General (OIG's) March 2006 recommendations, the U.S. Census Bureau has reached internal agreement on a Return to Work (RTW) strategy to manage the 2008 Dress Rehearsal and Census 2010 workers' compensation cases; developed a strategy for rehiring Federal Employees Compensation Act (FECA) periodic roll claimants within existing appointing authorities; and updated decennial training, manuals and handbooks to reflect the workers' compensation duties assigned to the regional and local census offices during the current dress rehearsal operations. We have also obtained access to data systems that provide us with the requisite information to evaluate workers compensation cases and make informed RTW decisions during dress rehearsal and decennial operations. We are working collaboratively with the U.S. Department of Commerce (DOC) to identify resources and contract vehicle options, and define roles and responsibilities. More recently, as an initial action toward full implementation of the RTW strategy, we issued letters to 73 periodic roll recipients from the 1990 and 2000 decennial censuses to request information necessary to formulate job offers.

Specific comments:

Page 5: Census Has Not Developed Adequate Workers' Compensation Training or Included Adequate Guidance in the Training Manuals to Be Used for the Dress Rehearsal and the Decennial.

We disagree with OIG's assessment. Due to the temporary nature of the decennial census and its unpredictable workflows and heavy turnover among first- and second-level supervisors, most duties, such as determining modification of duties for suitable RTW employment, are not currently assigned to the staff of the two local census offices, but rather are retained in the regional and headquarters offices. The DX 520 Chapter 10, "Safety, Accidents and Injuries" (dated October 2006) of the Field/decennial Administrative Manual provides detailed instructions for the Regional Census Center (RCC) Administrative Specialist to provide prompt notification of work-related injury to the headquarters Decennial Applicant, Personnel and Payroll System (DAPPS), and Safety offices. This model provides headquarters staff an opportunity to develop the expertise necessary to guide and direct the planned regionally-based RTW program during the 2010 Census.

To date, headquarters has received seven reports of 2007 Dress Rehearsal injuries, five of which have resulted in Office of Workers' Compensation Programs (OWCP) claims. Of these five, all but one has returned to work. The claimant in the remaining case did not request continuation of pay and has been approved for medical benefits only.

Page 8: Census Headquarters and Regional Staff Have Not Developed or Implemented a Workers' Compensation Return-to-Work Strategy for the 2008 Dress Rehearsal or 2010 Decennial Operations.

We disagree with OIG's assessment. Census Human Resources Division (HRD) and Field Division (FLD) managers have agreed on an integrated approach to a more robust RTW strategy for the 2008 Dress Rehearsal and 2010 Decennial Census that includes increased headquarters oversight and management. In addition, the DX-520 "RCC Administrative Manual", issued in October 2006, specifically assigns the RCC Administrative Specialist responsibility for collecting information on new workers' compensation claims and forwarding that information to the DAPPS and Safety offices at headquarters for further action. Census and the Department of Commerce, Office of Human Resources Management (OHRM) are engaged in continued dialogue to finalize specific procedural and operational components of the approach; further define roles and responsibilities; and make determinations on a DOC-wide or bureau-specific contract vehicle that would best serve the Agency. To that end, Census has already developed and begun implementing a plan for re-employing periodic roll recipients whose cases cannot be resolved through our decennial rapid return-to-work program.

Page 8: Census has not offered dress rehearsal jobs...

We agree with this statement and offer the following clarifying information. The Census Bureau analyzed employment potential for (FECA) recipients in the current Stockton and Fayetteville dress rehearsals. After reviewing the U.S. Department of Labor (DOL) data for (1990 and 2000) decennial FECA recipients, we found that none of the claimants rated by DOL as having return-to-work potential resided within the Zip Codes required for employment in either dress rehearsal operation.

Page 8: Census management reported ... that coordination with OHRM only began in earnest in March 2007.

We respectfully disagree with this statement. We have been working cooperatively with the DOC since May 2006 on this initiative. Census obtained access to the DOL Agency Query System and DOC's workers compensation contractor's system which provides requisite information to determine and evaluate RTW potential, and requested complete chargeback information for Census Bureau cases, including case coding and identification of disbursements as medical, periodic roll, or scheduled awards. We have continued coordination and dialogue with the DOC on solutions and strategies to ensure that an effective action plan can be developed and implemented as soon as possible.

Page 8: Census' HRD plans to hire one employee to the Workers Comp program...

We agree with this statement and offer the following clarifying information. In June 2007, the Census Bureau's Human Resources Division (HRD) brought on board a part-time, experienced HRD specialist who works exclusively on re-employment of current decennial OWCP claimants, to ensure continuity of the program while we engage in recruitment efforts for the full-time

specialist. A certificate of eligibles has been issued for the full-time specialist, interviews are being conducted, and we anticipate an appointment by mid-September.

Page 9: Census plan to request flexibility from the Office of Personnel Management

We agree with this statement and offer the following clarifying information. The Census Bureau, HRD, has developed an alternate, more expeditious plan of action and implemented procedures to enable the Census Bureau to rehire FECA claimants within existing appointing authorities. This plan provides a means to offer employment to current periodic-roll claimants from previous decennial censuses, as well as to Census 2010 claimants who cannot be rehired during current operations.

Responses to specific recommendations:

Page 9: Recommendation 1:

We agree with this recommendation. The Census Bureau, HRD and FLD have reached internal agreement on an integrated approach for a more robust workers compensation program strategy. Current dress rehearsal training and administrative manuals reflect the procedures currently in use, and development and implementation of future decennial training and administrative manuals will be completed in advance of Census 2010 operations, once the RTW plan is finalized. We continue to work with OHRM on finalizing the specific approach and determining the proper resource allocations/contract vehicle options to best meet the needs of the program.

Page 9-10: Recommendation 2:

We agree with this recommendation. As noted above, we continue to collaborate with the DOC on the overall strategy and implementation plan for the rapid return-to-work initiative.

The Census Bureau has developed a RTW strategy to address persons remaining on the periodic rolls from previous decennials as well as those injured in the 2010 Census.

Page 10: Recommendation 3:

We agree with this recommendation. While there have been no current FECA claimants eligible to work in dress rehearsal activities so far this year, we believe the re-employment initiative we have begun implementing will provide opportunities to significantly reduce the numbers on those rolls.

Page 10: Recommendation 4

We agree with this recommendation. The Census Bureau has identified and adopted flexibilities which authorize us to make re-employment offers to disabled former employees who remain on the OWCP periodic roll.

The Commerce Chief Financial Officer and Assistant Secretary for Administration's Response to OIG Draft Report



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer
Assistant Secretary for Administration
Washington, D.C. 20230

SEP 26 2007

MEMORANDUM FOR Jill Gross
Assistant Inspector General for Inspections and
Program Evaluations

FROM: Otto J. Wolff
Chief Financial Officer and
Assistant Secretary for Administration

SUBJECT: Draft Inspection Report Number IPE-18592, "Preparing for
Census 2010: Follow-up Review of the Workers'
Compensation Program at the Census Bureau Reveals
Limited Efforts to Address Previous OIG Recommendations"

Thank you for the opportunity to review the subject draft inspection report, which recommends that my organization work with the Census Bureau to ensure that immediate actions are taken to help reduce costs related to the decennial census by strengthening Census Bureau management of its workers' compensation program. The Office of Human Resources Management's (OHRM's) Office of Occupational Safety and Health (OOSH) exercises oversight for the Department's workers' compensation program and is continuing to coordinate with the Census Bureau on enhancing efforts in this area:

- OHRM is assisting senior managers in the Census Bureau in identifying the internal and external resources that will be needed to effectively respond to the caseload of on-the-job injuries expected to result from the dress rehearsal in 2008 and the decennial census in 2010. The Department is preparing a request for proposals (RFP) for the management of its short- and long-term injury cases, including decennial-related injuries. Issuance of a performance-based contract for these services will increase focus and attention on the need to better handle new cases as well as residual cases from the 1990 and 2000 decennial censuses.
- OHRM is working closely with Census on procedural and operational aspects of its workers' compensation program, which include further defining roles and responsibilities and improving methods for returning employees to work where medically feasible. For example, OHRM has aided Census in obtaining access to the Department of Labor's (DOL's) Agency Query System, quarterly chargeback reports, and the current vendor's tracking system. Having access to these resources has better positioned Census managers to identify potential return-to-work (RTW) cases.
- OHRM is facilitating arrangements for delivery of Commerce case files, which are maintained by DOL's Office of Workers' Compensation Programs at the regional level, to Washington, DC for local review. Eliminating the need to travel to regional offices will

enable Commerce and Census to more easily obtain the medical information needed to identify and process potential RTW cases.

- Additionally, OHRM has established a Department-wide workers' compensation working group to coordinate efforts in returning employees to work. The working group, which includes the Census Bureau, held two very productive meetings in July and August. The next meeting is scheduled for October 3 and will include training for bureau personnel on returning injured employees to work.

We believe that these actions will significantly contribute to managing and containing the costs of the workers' compensation program for the Census Bureau as well as the overall Department. Please feel free to direct any questions that you may have to either Deborah Jefferson, Director for Human Resources Management, at 482-4807 or Nancy McWilliams, Director, OOSH, at 482-0211.