

**AGENCY RESPONSE TO DRAFT REPORT**


U.S. Department of Labor

OFFICE OF INSPECTOR GENERAL  
EMPLOYMENT STANDARDS ADMINISTRATION  
U.S. DEPARTMENT OF LABOR



SEP 23 2005

MEMORNDUM FOR ELLIOT P. LEWIS  
Assistant Inspector General  
For Audit

FROM: VICTORIA A. LIPNIC   
SUBJECT: GPRA Data Validation Review—  
Federal Employees' Compensation Act (FECA) Program  
Draft Audit Report No. 22-05-008-04-431

This responds to your September 19, 2005 memorandum requesting comments on the subject draft audit report. ESA has reviewed the report and our response is attached. We thank you for the opportunity to comment.

If you have any questions concerning this response, please contact Rose Broadwater of my staff on 693-0285.

Attachment

**ESA Response to GPRA Data Validation Review—  
Federal Employees' Compensation Act (FECA) Program  
Draft Audit Report No. 22-05-008-04-431**

**Recommendation**

We [OIG] recommend that the Assistant Secretary for ESA:

Ensure the FECA Program excludes cases resolved due to claimants' death from the calculation of savings generated through use of Periodic Roll Management.

**ESA Management Response**

ESA concurs with the finding that the methodology for calculating Periodic Roll Management (PRM) savings under Performance Goal 2.2C should be modified to exclude savings from benefit payment reductions due to claimant deaths that occurred during the given time period. DFEC has undertaken appropriate action to modify the methodology it applies to this calculation for PRM savings beginning in FY2006.