

Department of Homeland Security **Office of Inspector General**

United States Customs and Border
Protection's Management of the Federal
Employees' Compensation Act Program





Homeland
Security

MAR 27 2012

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report addresses the strengths and weaknesses of the United States Customs and Border Protection's *Federal Employees' Compensation Act* program. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have been discussed in draft with those responsible for implementation. We trust this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in blue ink, appearing to read "Anne L. Richards for".

Anne L. Richards
Assistant Inspector General for Audits

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Abbreviations

CBP	United States Customs and Border Protection
DHS	United States Department of Homeland Security
DOL	United States Department of Labor
FECA	<i>Federal Employees' Compensation Act</i>
FY	fiscal year
HRM	CBP Office of Human Resources Management
ICC	injury compensation coordinator
ICS	injury compensation specialist
OIG	Office of Inspector General

OIG

Department of Homeland Security
Office of Inspector General

Executive Summary

We reviewed United States Customs and Border Protection's (CBP) management of its *Federal Employees' Compensation Act* program. The objective of our audit was to determine whether CBP is managing this program to minimize lost workdays and related compensation costs.

CBP has not effectively managed its *Federal Employees' Compensation Act* program to control costs. Specifically, it does not conduct comprehensive reviews of its annual workers' compensation bills and quarterly reports to validate costs, nor does it consistently manage and maintain *Federal Employees' Compensation Act* compensation case files. We attribute these deficiencies to CBP's organizational structure, which may not be suited to effectively manage the number of *Federal Employees' Compensation Act* cases. CBP also lacks policies and procedures to ensure consistent and effective case management. As a result, it has not minimized lost workdays and related compensation costs and has been billed for inappropriate costs. Its 2010 workers' compensation bill consisted of 11,229 cases totaling more than \$62 million in compensation and medical payments.

We are making six recommendations to CBP to improve management of its *Federal Employees' Compensation Act* program. CBP concurred with all recommendations.

Background

The *Federal Employees' Compensation Act* (FECA), as amended, (5 U.S.C. § 8101, *et seq.*) provides wage loss compensation, medical care, vocational rehabilitation, and survivors' benefits to civilian employees and officers of the United States, and certain other categories of individuals, for employment-related traumatic injuries and occupational diseases. According to the United States Department of Labor (DOL) Publication CA-810, *Injury Compensation for Federal Employees*, a traumatic injury is a wound or condition of the body caused by external force, including stress or strain. It must be identifiable by time and place of occurrence and member of the body affected, and caused by a specific event or incident or series of such within a single day or work shift. An occupational disease is a physical condition produced in the work environment over a period longer than a single workday or shift. FECA also provides for payment of benefits to dependents if a work-related injury or disease causes an employee's death.

FECA benefits are financed by the Employees' Compensation Fund, which is replenished annually by charges to employing agencies ("chargebacks"). Federal agencies are responsible for advising employees of their FECA rights and responsibilities and for managing compensation cases. Compensation case management includes the following:

- Initiating FECA claims;
- Assisting employees in returning to work;
- Challenging questionable claims;
- Keeping in contact with injured employees;
- Advising the employee about continuation of pay; and
- Managing compensation costs.

United States Department of Labor

The United States Department of Labor Office of Workers' Compensation Programs administers the FECA program. DOL adjudicates all workers' compensation claims and determines workers' compensation eligibility based on the medical and factual evidence provided by injured employees. Under FECA and accompanying regulations at 20 CFR 10.401, employees permanently disabled by a work-related injury or illness are compensated at a rate equal to 66.67% of the pay rate (without

dependents) or 75% (with dependents). Employees are compensated for partial disability according to 20 CFR 10.403.

Each year, for the accounting period July 1 through June 30, DOL provides agencies with four quarterly chargeback reports. Each quarterly report is a statement of payments made from the Employees' Compensation Fund because of injuries to the agencies' employees. According to DOL, the final quarterly chargeback report is an annual bill for total charges from the 1-year accounting period for compensation and medical payments that agencies must reimburse the Employees' Compensation Fund. Agencies can use the quarterly reports to identify and correct errors before they appear on the final bill. According to DOL, agencies have 1 year after the final bill is issued to identify and report errors to DOL. DOL then includes the adjustments on the next year's chargeback bill.

United States Customs and Border Protection

CBP is responsible for guarding nearly 5,000 miles of land border with Canada, 1,900 miles of land border with Mexico, and 95,000 miles of shoreline. In fiscal year (FY) 2010, CBP had 58,724 employees. The CBP Office of Human Resources Management (HRM) manages its FECA program. According to CBP, prior to 2007, HRM had 15 injury compensation specialists (ICSs) who served as FECA subject matter experts for 200 injury compensation coordinators (ICCs). The ICCs managed compensation cases as collateral duties at field offices and ports, and they did not report to HRM.

According to CBP, HRM reassigned case management responsibilities to the ICSs and expanded their role from acting as subject matter experts to performing all aspects of case management. ICCs were limited to initial claims processing in 2007. Since 2007, the number of ICCs assigned to CBP field offices and ports has increased to more than 400. The 14 ICSs who currently manage all compensation cases have the following duties:

- Administering all aspects of case management;
- Performing final reviews of claims for compensation;
- Submitting supporting documentation to DOL;
- Collaborating with delegated supervisors or managers to establish productive and suitable light-duty job assignments for employees who can return to work; and

- Maintaining up-to-date information on each worker's compensation claim.

According to CBP, HRM implemented eComp, a web-based data tracking system for submitting compensation claims electronically to DOL, in June 2009, but decided not to input cases opened prior to June 2009, which are consequently in printed form only. The eComp system is also used to manage workers' compensation cases and to store case documents electronically. Therefore, CBP uses both printed and electronic files to manage its workers' compensation cases.

Table 1 lists the number of CBP workers' compensation cases and related charges included in DOL's annual chargeback bills to CBP for 2007 through 2010.

Table 1. CBP Workers' Compensation Cases and Costs

Chargeback Year (July 1–June 30)	Total FECA cases	Total Costs
2007	9,160	\$57,639,011
2008	10,191	\$62,538,259
2009	11,424	\$67,686,399
2010	11,229	\$62,650,987

Source: OIG analysis of annual chargeback bills.

Results of Audit

CBP Has Not Effectively Managed Its *Federal Employees' Compensation Act* Program To Control Costs

CBP does not comprehensively review its annual chargeback bills and quarterly chargeback reports and does not consistently manage and maintain its compensation case files. Consequently, CBP has been unable to minimize lost workdays and related compensation costs and has been billed for inappropriate costs. We attribute these deficiencies to CBP's organizational structure, which may not be suited to effectively manage the number of FECA cases, and to the lack of policies and procedures that would ensure effective case management.

CBP Does Not Comprehensively Review Annual Chargeback Bills and Quarterly Chargeback Reports

Because it does not perform comprehensive reviews, CBP has been unable to validate the accuracy of annual chargeback bills for more

than 28,245 compensation cases from 2007 through 2009, amounting to \$163 million in claims. CBP has not verified the accuracy of annual chargeback bills and quarterly reports, so it cannot determine whether DOL has been correctly billing the agency, and it may continue to incur inappropriate costs.

CBP has not completed comprehensive reviews of its 2007, 2008, and 2009 annual chargeback bills. CBP has no record of a review of the 2007 chargeback bill, which contained \$57.6 million in medical and compensation charges. CBP has reviewed and verified fewer than 5% of the cases reported on its 2008 chargeback bill and fewer than 18% of the cases reported on its 2009 chargeback bill. The cases in the 2008 chargeback bill that CBP did not review amount to more than \$48.5 million, or 78% of the total medical and compensation payments made in 2008. The cases in the 2009 bill that were not reviewed amount to more than \$56.4 million, or 83% of the total medical and compensation payments made in 2009.

CBP's partial reviews of the 2008 and 2009 chargeback bills identified cases billed to CBP in error. In 2010, CBP recovered more than \$3 million from other components of DHS for workers' compensation costs incorrectly included in its 2008 chargeback bill. Further, according to CBP, it had identified 98 cases belonging to other DHS components before suspending its review of the 2009 chargeback bill in January 2011. At the time of our review, CBP was in the process of recovering \$3.8 million associated with workers' compensation cases included in its 2009 chargeback bill that should have been charged to other DHS components.

CBP has not reviewed DOL quarterly chargeback reports. According to CBP, it does not review the quarterly reports because the data are included in the annual chargeback bills. However, DOL stated that agencies can use the quarterly reports to prevent errors in the final chargeback bill. Without comprehensive review of its quarterly reports, CBP is at greater risk of paying for incorrect charges in annual chargeback bills.

In addition to heightening the risk of paying for incorrect charges, incomplete review of chargeback bills and the lack of review of quarterly reports may increase the risk of fraudulent activity or abuse of compensation. We identified the following examples:

-
- The 2009 chargeback bill included 110 instances in which claimants' Social Security numbers did not match CBP's records and are likely in error. Since compensation claimants' Social Security numbers may be used to obtain medical documentation, employment, or earnings information, incorrect numbers could pose a risk of individuals receiving compensation under a false identity or fraudulently.
 - The 2009 chargeback bill included compensation charges for an employee who did not work for DHS. CBP had identified this error, but since the deadline for correcting charges (1 year) had passed, DOL would not credit the \$40,742 in incorrect charges to the following year's chargeback bill.
 - CBP did not identify incorrect compensation payments to a claimant over a 2-year period. The claimant had returned to work but continued to receive compensation from DOL. These incorrect payments, totaling \$45,581, were evident in two annual chargeback bills and six quarterly reports.
 - In the 2010 chargeback bill, 30 compensation claimants did not have a payroll record with the National Finance Center to substantiate employment by CBP. These 30 claimants were paid more than \$2.6 million in compensation from 2008 through 2009. CBP may be paying these compensation claims in error.

CBP's policy states that Assistant Commissioners and equivalent offices, as well as the Chief of Border Patrol, are responsible for controlling workers' compensation costs. However, the CBP Workers' Compensation Program Office provides annual chargeback bills or quarterly reports to CBP offices only if requested. Since these bills and reports are not routinely provided to all stakeholders, CBP cannot be assured that management in these offices is aware of the compensation costs associated with staff members.

CBP's incomplete reviews of annual chargeback bills, its lack of review of quarterly reports, and the fact that it does not routinely share chargeback data with all stakeholders call into question the accuracy of the 28,245 compensation cases in the chargeback bills from 2007 through 2009 that were not reviewed and the corresponding \$163 million in compensation and medical payments.

CBP Does Not Consistently Manage and Maintain Compensation Case Files

CBP has not used a single system of record to manage its FECA case files since implementing its web-based data tracking system in June 2009. CBP has both paper and electronic versions of compensation case documentation. Files are also maintained at multiple locations. Some case files are not maintained at the location of the ICS assigned to those cases.

According to CBP, ICCs retain case files for employees injured prior to January 1, 2007, but the ICSs responsible for case management can request these files as needed. However, CBP was unable to provide 45 of the 92 case files we requested from this period. According to the 2010 chargeback bill, these missing case files represent more than \$1.6 million paid to claimants. Thus, CBP was billed for compensation paid to these claimants without sufficient knowledge of the nature or degree of their injuries or their ability to return to work.

We identified case files that were missing documentation or missing up-to-date documentation. Further, documentation in some files indicated that claimants were not offered opportunities to return to work at the earliest date recommended in medical reports. In particular, we identified the following:

- In 114 of 140 case files reviewed, the files were missing DOL-required forms or supporting medical documentation, including notices of claims and reports of disability termination. For example, one file indicated that a claimant had received \$299,543.12 between 2003 and 2011, but the file did not include supporting medical documentation to justify compensation.
- In 15 of 140 case files reviewed, the files included medical reports indicating that the employees' physicians had cleared the employees to return to work on light duty or without restrictions. CBP paid these employees \$951,195 in compensation after they had been medically cleared to work.

CBP's lack of a single system of record to maintain files increases the risk of paying for compensation costs that are not justified. Our review of 140 out of the 11,229 workers' compensation cases reported on the 2010 annual chargeback bill showed that 81% of

the cases were missing documentation to support the associated \$4.5 million in compensation and medical payments billed to CBP. The number of errors identified during our limited review calls into question the supporting documentation for the remaining 11,089 cases and the associated \$56.8 million billed to CBP.

CBP's Organizational Structure May Not Be Suited To Effectively Manage FECA Cases, and Policies and Procedures Need Revision

CBP's organizational structure may not be suited to effectively manage the number of FECA compensation cases. Further, CBP does not have up-to-date or detailed policies and procedures for the ICSs and ICCs, and the current policies and procedures do not provide sufficient detail or guidance for case management.

According to CBP, 200 ICCs managed the workers' compensation caseload prior to 2007. With the 2007 change in policy, 14 ICSs are responsible for managing the 11,299 compensation cases identified on the 2010 chargeback bill, which means that each ICS is handling an average of 802 cases. CBP did not conduct a workload analysis to determine the number of ICSs required to effectively manage FECA cases.

CBP uses policies and procedures from the *Workers' Compensation Program Handbook – US Customs Service*, issued in March 2002. This handbook established case management responsibilities for ICCs, but these responsibilities were reassigned to the ICSs in 2007. CBP stated that an updated *Workers' Compensation Program Handbook* has been in draft since April 2010, but as of December 21, 2011, it had not been finalized.

CBP has not developed detailed and appropriate guidance for case management. Currently available policies and procedures do not provide enough guidance to effectively manage the compensation cases. The three CBP guides we reviewed primarily contained information either reproduced verbatim or summarized from DOL publications. In addition, CBP's standard operating procedures are not sufficiently detailed to ensure consistent and effective review of annual chargeback bills and quarterly chargeback reports.

Recommendations

We recommend that the Assistant Commissioner, Office of Human Resources Management, Customs and Border Protection:

Recommendation #1: Revise current standard operating procedures to ensure a systematic and timely process to review, verify, and correct data contained in the quarterly chargeback reports and annual chargeback bills.

Recommendation #2: Revise current policy to require the distribution of quarterly chargeback reports and annual chargeback bills to United States Customs and Border Protection stakeholders responsible for controlling workers' compensation costs.

Recommendation #3: Use a single system of record to maintain and manage all of United States Customs and Border Protection workers' compensation cases.

Recommendation #4: Conduct a workload analysis to identify the organizational structure necessary to effectively manage the number of FECA compensation cases and implement changes, as applicable.

Recommendation #5: Review, develop, and approve policies and procedures that detail compensation case management responsibilities to provide a systematic process for injury compensation coordinators and injury compensation specialists.

Recommendation #6: Review all workers' compensation cases for employees who have been medically cleared to return to work and return those employees to work.

Management Comments and OIG Analysis

CBP Comments to Recommendation 1

Concur. According to CBP, it has revised existing standard operating procedures to ensure more systematic and timely reviews of quarterly and annual chargeback reports to identify errors. The new standard operating procedures outline formal procedures for quarterly and annual reviews by HRM and program offices to identify and correct erroneous chargeback data. CBP plans to have its corrective action implemented by July 31, 2012.

OIG Analysis

We consider the recommendation resolved because CBP's actions satisfy the intent of the recommendation, and CBP has provided a plan of action and milestones to implement the corrective actions. However, the recommendation will remain open until we can verify through review of supporting documentation that the revised standard operating procedures have resulted in the review and correction of data contained in the quarterly chargeback reports and annual chargeback bills.

CBP Comments to Recommendation 2

Concur. CBP is revising the *CBP Workers' Compensation Handbook*. The revised handbook will outline policies and procedures for distribution and review of quarterly and annual chargeback reports by all CBP program offices. Each program office, as a stakeholder in the workers' compensation process, will participate in the review of its respective chargeback as the first step in reducing costs by understanding where and how charges are incurred. Additionally, on February 2, 2012, the HRM Assistant Commissioner signed CBP Directive No. 51810-005. The directive provides policy guidance to all participants in the workers' compensation process. HRM has developed a communication plan to disseminate the directive, to work with program offices to implement the review of the chargeback reports, and to facilitate early return-to-work efforts to reduce costs. CBP plans to have all of its corrective action implemented by June 1, 2012.

OIG Analysis

We consider the recommendation resolved because CBP's stated actions satisfy the intent of the recommendation, and it has provided a plan of action and milestones to implement the corrective actions. However, the recommendation will remain open until we can review supporting documentation to verify that quarterly chargeback reports and annual chargeback bills are distributed and reviewed by all CBP program offices.

CBP Comments to Recommendation 3

Concur. CBP implemented eComp in April 2009 and has reiterated its intention to use eComp as the system of record for the workers' compensation program. To achieve this, CBP said that it is currently transferring all active pre-April 2009 hard copy cases

into eComp. CBP expects to have all its workers' compensation cases in eComp by May 31, 2014.

OIG Analysis

The corrective action proposed by CBP satisfies the intent of the recommendation, and the plan includes milestones for implementation. We consider this recommendation resolved. However, the recommendation will remain open until we can review supporting documentation to verify that all active workers' compensation cases are managed in eComp.

CBP Comments to Recommendation 4

Concur. CBP states that it has completed a workload analysis, which revealed a workload beyond the industry standard. CBP will convene a team, which includes representatives from operational program offices, to assess the current business practices, benchmark with other agencies on their processes, and develop recommendations to create the most efficient ways of conducting business. CBP plans to complete these corrective actions by July 31, 2012.

OIG Analysis

The corrective actions proposed by CBP satisfy the intent of the recommendation, and the plan CBP provided includes a milestone for implementation. Accordingly, we consider this recommendation resolved. However, the recommendation will remain open until we can review supporting agency documentation to verify that—

- a workload analysis supporting CBP's conclusion on a workload beyond the industry standard was conducted; and
- the CBP team assembled to assess current business practices identifies efficient ways of conducting business.

CBP Comments to Recommendation 5

Concur. According to CBP's response, the *CBP Workers' Compensation Handbook* is being revised to include all facets of case management and to incorporate the review of the quarterly chargeback report. CBP intends to complete the revision by June 1, 2012.

OIG Analysis

The corrective action proposed by CBP satisfies the intent of the recommendation, and the plan CBP provided includes a milestone for implementation. We consider this recommendation resolved. However, the recommendation will remain open until we can review agency documentation to verify that the updates to the *CBP Workers' Compensation Handbook* were completed.

CBP Comments to Recommendation 6

Concur. According to CBP's response, the agency will develop a plan to review all disability cases to identify cases in which the medical evidence indicates the employee could return to duty. Additionally, HRM management stated that they will expand coordination with program offices to identify medically suitable positions for these employees. CBP anticipates completing these corrective actions by April 15, 2012.

OIG Analysis

The corrective actions proposed by CBP satisfy the intent of the recommendation, and the plan CBP provided includes a milestone for implementation. We consider this recommendation resolved. However, the recommendation will remain open until we can review agency documentation to verify that a review was completed and that HRM is coordinating with other program offices.

Appendix A

Purpose, Scope, and Methodology

The objective of our audit was to determine whether CBP is managing the FECA program to minimize lost workdays and FECA-related compensation costs.

We reviewed applicable laws, regulations, and CBP internal policies and guidance concerning workers' compensation. Also, we reviewed prior OIG audit reports and Government Accountability Office reports on the federal workers' compensation program.

We interviewed officials from the DHS Chief Human Capital Officer and CBP's HRM staff, including the Director and Deputy Director of the Benefits, Medical, and Worklife Division. We also met with the Branch Chief, Workers Compensation Program Office; and Workers Compensation Program Office staff, including ICSs. Additionally, we interviewed ICCs and other CBP staff assigned to CBP offices outside of HRM.

We conducted site visits at CBP offices in Washington, DC; Tucson, Arizona; El Paso, Texas; and Orlando, Florida.

To determine whether CBP is effectively managing its workers' compensation cases, we conducted two tests of cases reported on the 2010 chargeback bill. In the first test, we judgmentally selected workers' compensation case files until we reviewed 140 cases. We selected daily roll, periodic roll, and medical payments only roll cases with the highest total compensation and medical benefits paid for 6 of the 14 ICSs. We reviewed CBP's printed and electronic workers' compensation case files, in addition to the corresponding DOL electronic records. For the second test, we reviewed all workers' compensation cases with dates of injury prior to January 1, 2007, assigned to one ICS.

We determined that the DOL annual chargeback bills and quarterly reports were sufficiently reliable to serve as the universe of CBP workers' compensation cases from which to select files for review.

We assessed CBP's review of 2007, 2008, and 2009 chargeback data to determine if CBP had been verifying the accuracy of the data contained in the DOL annual chargeback billings and quarterly reports. Additionally, we compared CBP staff roster data for FYs 2006 through 2010 with the 2009 chargeback bill. We did not independently verify the information in CBP's staff rosters. Finally, we compared periodic roll cases from the 2010 chargeback bill with National Finance Center employee data.

We evaluated CBP's internal controls to the extent necessary to accomplish our objective. Specifically, we developed an understanding of internal controls over the CBP FECA program by reviewing agency policies and procedures, and interviewing CBP officials assigned to manage and administer the CBP FECA program. We planned the audit and determined the nature, timing, and extent of the tests we performed from the understanding we gained of the CBP FECA program.

We conducted this performance audit between November 9, 2010, and May 18, 2011, pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

Appendix B Management Comments to the Draft Report

1300 Pennsylvania Avenue NW
Washington, DC 20229



**U.S. Customs and
Border Protection**

February 23, 2012

MEMORANDUM FOR: Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General

FROM: James Tomscheck *JMT* For:
Assistant Commissioner
Office of Internal Affairs

SUBJECT: Response to the Office of Inspector General Draft Report Entitled,
"United States Customs and Border Protection's Management of the
Federal Employees' Compensation Act Program"

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) draft report entitled "United States Customs and Border Protection's Management of the Federal Employees' Compensation Act Program." The OIG's objective was to determine whether CBP is managing its Federal Employee's Compensation Act program to minimize lost workdays and related compensation costs.

U.S. Customs and Border Protection (CBP), Office of Human Resources Management (HRM) concurs with the draft report and recommendations. A summary of CBP actions and corrective plans to address the recommendations is provided below. CBP further addresses these issues in-depth in the attached CBP Corrective Action Plan.

Recommendation #1: Review current standard operating procedures to ensure a systematic and timely process to review, verify, and correct data contained in the quarterly chargeback reports and annual chargeback bills.

CBP/HRM has revised the existing Standard Operating Procedures (SOP) to ensure more systematic and timely reviews of quarterly and annual chargeback reports to identify errors. The new SOPs outline formal procedures for quarterly and annual reviews by HRM and program offices to identify and correct erroneous chargeback data.

CBP/HRM has recouped money from other Department of Homeland Security (DHS) components for erroneous charges identified on CBP's Fiscal Year (FY) 2009 chargeback. The total amount refunded to CBP was \$3.4 million. Reviews of FY 2010 and FY 2011 chargeback reports will be conducted to identify erroneous charges when the reports are received from the Department of Labor; this process will be repeated in future fiscal years. HRM also identified and corrected errors in social security numbers made on claim forms.

Completion Date: 7/31/2012

**United States Customs and Border Protection's Management of the
Federal Employees' Compensation Act Program**

Appendix B

Management Comments to the Draft Report

2

Recommendation #2: Revise current policy to require the distribution of quarterly chargeback reports and annual chargeback bills to United States Customs and Border Protection stakeholders responsible for controlling workers' compensation costs.

CBP/HRM staff is revising the *CBP Workers' Compensation Handbook*. The revised Handbook will outline policies and procedures for distribution and review of quarterly and annual chargeback reports by all CBP Program Offices. The handbook will contain SOPs outlining how the reviews will be conducted. As stakeholders in the workers' compensation process, each program office will participate in the review of their respective chargeback as the first step in reducing costs by understanding where and how charges are incurred.

CBP Directive No. 51810-005 was signed by the Assistant Commissioner, HRM on February 2, 2012. The directive provides policy guidance to all participants in the workers' compensation process. CBP/HRM has developed a communication plan to disseminate the directive, to work with program offices to implement the review of the chargeback, and to facilitate early return-to-work efforts to affect reduction of costs.

Completion Date: 6/01/2012

Recommendation #3: Use a single system of record to maintain and manage all of United States Customs and Border Protection workers' compensation cases.

In April 2009, CBP/HRM implemented eComp, a web-based electronic submission and case management system. Since then, all CBP cases have been filed and maintained in eComp. CBP/HRM is currently transferring all active pre-April 2009 cases (hard copy cases) into eComp. When the process is completed, CBP will have attained a single system of record for compensation cases.

Completion Date: 5/31/2014

Recommendation #4: Conduct a workload analysis to identify the organizational structure necessary to effectively manage the number of FECA compensation cases and implement changes, as applicable.

CBP/HRM has completed a workload analysis, which revealed a workload beyond the industry standard. CBP/HRM will convene a "Tiger Team" which will include representatives from operational program offices to assess current business practices, benchmark with other agencies on their processes, and develop recommendations to create the most efficient ways of conducting business.

Completion Date: 7/31/2012

Recommendation #5: Review, develop, and approve policies and procedures that detail compensation case management responsibilities to provide a systematic process for injury compensation coordinators and injury compensation specialists.

Revision of the *CBP Workers' Compensation Handbook* is currently underway to be inclusive of all facets of case management and to incorporate the review of the quarterly chargeback report.

Completion Date: 6/01/2012

Appendix B

Management Comments to the Draft Report

3

Recommendation 6: Review all workers' compensation cases for employees who have been medically cleared to return to work and return those employees to work.

CBP/HRM will develop a plan to review all disability cases to identify those cases where medical evidence indicates that the employees could return to duty. HRM will expand its coordination with program offices to identify medically suitable positions for these employees, and move the employees into these positions.

Completion Date: 4/15/2012

CBP appreciates the extensive work that the Office of Inspector General has performed in the review of the CBP/HRM Federal Employee Compensation Program.

With regard to the classification of the draft report, CBP did not identify sensitive information that would require a "For Official Use Only" designation. In addition, CBP has no technical comments to the draft report.

If you have any questions, please have a member of your staff contact Ms. Kristin Walls, Audit Liaison, Office of Internal Affairs, at (202) 344-1218.

Attachment

Appendix C
Major Contributors to this Report

Sandra John, Director
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Appendix D
Report Distribution

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