U.S. Department of the Interior
Office of Inspector General

EVALUATION REPORT

SELECTED ASPECTS OF THE ADMINISTRATION OF THE WORKERS' COMPENSATION PROGRAM, DEPARTMENT OF THE INTERIOR

REPORT NO. 99-I-892
SEPTEMBER 1999

United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

SEP 2 8 1999

EVALUATION REPORT

Memorandum

To: Director, National Business Center

From: Robert J. Williams
Assistant Inspector General for Audits

Subject: Evaluation Report on Selected Aspects of the Administration of the Workers' Compensation Program, Department of the Interior (No. 99-I-892)

INTRODUCTION

This report presents the results of our evaluation of selected aspects of the Department of the Interior's administration of the Workers' Compensation Program. The objective of the evaluation was to determine whether the bureaus removed employees timely from Departmental employment lists, as allowed by the Federal Employees Compensation Act (5 U.S.C. 8101 et seq.), and whether the wages of injured employees were discontinued when they began receiving workers' compensation payments, as required by the Act (5 U.S.C. 8118(a)).

BACKGROUND

The Federal Employees' Compensation Act (5 U.S.C. 8101 et seq.) provides for workers' compensation benefits to be paid to employees of Federal Government agencies when employees sustain work-related injuries or occupational diseases. The Act states that injured employees are entitled to continuation of pay (regular salary or wages) from the employing agency for a period not to exceed 45 days from the date of filing for workers' compensation benefits. The Act also states that after the 45-day period ends, continuation of pay should end by the employing agency. Thereafter, the Department of Labor's Office of Workers' Compensation pays employees for lost wages attributable to injuries sustained on the job and for permanent physical disabilities resulting from the injuries. Furthermore, the Act provides that employees who (1) recover within a year from the date of their injury have a right to their former position or an equivalent position and (2) are injured or disabled continuously for more than a year are entitled to priority placement in their respective agency or another agency. Specifically, Section 8151, "Civil service retention rights," of the Act states:

(b) Under regulations issued by the Office of Personnel Management–

(1) the department or agency which was the last employer shall immediately and unconditionally accord the employee, if the injury or disability has been overcome within one year after the date of commencement of compensation or from the time compensable disability recurs if the recurrence begins after the injured employee resumes regular full-time employment with the United States, the right to resume his former or an equivalent position, as well as all other attendant rights which the employee would have had, or acquired, in his former position had he not been injured or disabled, including the rights to tenure, promotion, and safeguards in reductions-in-force procedures, and

(2) the department or agency which was the last employer shall, if the injury or disability is overcome within a period of more than one year after the date of commencement of compensation, make all reasonable efforts to place, and accord priority to placing, the employee in his former or equivalent position within such department or agency, or within any other department or agency.

Agencies are required by the Act to request the amount of money spent on workers' compensation benefits by the Department of Labor for the 12-month period ended June 30. The Department of Labor sends an Annual Chargeback Report to the Department's National Business Center's Division of Employee and Public Services, which forwards the report to the Department's Office of Personnel for distribution to each agency that has listed employees who received workers' compensation payments. Agencies are required by the Act to deposit amounts that were appropriated for workers' compensation benefits into the U.S. Treasury to the credit of the Employees' Compensation Fund within 30 days after the appropriation becomes available.

SCOPE OF EVALUATION

The evaluation was conducted at the Department of the Interior's National Business Center's Division of Employee and Public Services, located in Washington, D.C. We contacted officials responsible for administering the Workers' Compensation Programs in the Bureau of Land Management, the Bureau of Reclamation, the Bureau of Indian Affairs, the National Park Service, the U.S. Fish and Wildlife Service, and the Office of Surface Mining Reclamation and Enforcement to obtain information concerning the status of employees who were injured or disabled on the job. We also reviewed laws and regulations relating to the administration of the Workers' Compensation Program. In addition, we judgmentally selected, from the six bureaus, 36 employees who were included in the Department of Labor's summary chargeback report relating to the Department of the Interior as of March 1997. The selected employees were from the bureaus as follows: 12 from the National Park Service, 7 from the Bureau of Land Management, 7 from the Bureau of Reclamation, 6 from the Bureau of Indian Affairs, 3 from the Fish and Wildlife Service, and 1 from the Office of Surface Mining Reclamation and Enforcement. We reviewed documents pertaining to the bureaus' responsibilities and activities concerning the Workers' Compensation Program. Furthermore, we reviewed the Department of Labor's chargeback reports to identify the financial data related to the injured employees in our sample selection.

The evaluation was conducted in accordance with the "Quality Standards for Inspections," issued by the President's Council on Integrity and Efficiency, and accordingly included such tests and evaluation procedures that were considered necessary to accomplish the objective. We also reviewed the Departmental Report on Accountability for fiscal year 1997, which includes information required by the Federal Managers' Financial Integrity Act of 1982, and the Department's annual assurance statement on management controls for fiscal year 1997 and determined that no material weaknesses were included in these documents which directly related to the objective and scope of our evaluation.

PRIOR AUDIT COVERAGE

During the past 5 years, neither the Office of Inspector General nor the General Accounting Office has issued any reports on the aspects of the Workers' Compensation Program discussed in this report.

RESULTS OF EVALUATION

We found that the Department of the Interior administered the Workers' Compensation Program in accordance with the requirements of the Federal Employees' Compensation Act. We found that all of the 36 employees in our sample were removed from Departmental employment lists, were returned to work, or found other employment. Specifically, 7 employees were unable to return to work, and the bureaus had timely removed the injured employees from their respective employment lists after 1 year; 19 employees returned to their full-time positions before the end of the 1-year period; 7 employees were able to work part time, were reassigned, or were provided with light duty assignments; 2 employees found employment with other agencies; and the remaining employee returned to work several times during the 1-year period and therefore had not received workers' compensation payments continuously beyond 1 year.

In addition, we compared the bureaus' continuation of pay data with the Department of Labor's listings of claimants (chargeback reports) who were receiving workers' compensation benefits and found that the continuation of pay was properly terminated for the 36 employees when the workers' compensation payments began or when the employees returned to work.

Since this report does not contain any recommendations, a response is not required.

Section 5(a) of the Inspector General Act (Public Law 95-452, as amended) requires the Office of Inspector General to list this report in its semiannual report to the Congress.

We appreciate the assistance of National Business Center and bureau personnel in the conduct of our review.