March 21, 2012

Congressional Committees

Subject: Federal Employees’ Compensation Act: Status of Previously Identified Management Challenges

In 2010, the Department of Labor’s (Labor) Federal Employees’ Compensation Act (FECA)\(^1\) program paid approximately $2.8 billion in total cash and medical benefits to federal employees who sustained injuries or illnesses while performing federal duties. Because the FECA program’s benefit structure has not been significantly amended in 38 years, policymakers and others have raised concerns related to its efficiency and efficacy. As a result, there have been a number of legislative proposals to manage program costs by changing the benefit type or amount that employees receive at retirement age and to enact procedures that may enhance program administration. Federal agencies’ Inspectors General (IGs) have identified long-standing programmatic deficiencies at the department and agency level that may make the program vulnerable to fraud and abuse.\(^2\) For this reason, we were asked to review the FECA program’s management challenges and determine the extent to which actions have been taken to address them.

To determine the program’s identified management challenges, we reviewed Labor’s performance and accountability reports from 2004 to 2010.\(^3\) Using the reports’ themes for the FECA program as a framework, we performed a content analysis of 65 reports, issued from 1994 to 2011—the majority of these reports were issued from 2004 to 2011—by federal IGs and others\(^4\) who reviewed the FECA program. We obtained the status for all recommendations in these reports from the IGs and conducted more in-depth interviews with officials from Labor and

\(^1\)Codified at 5 U.S.C. § 8101 et seq.

\(^2\)We recently reported that although departments and agencies have instituted a variety of promising practices to limit fraud, several vulnerabilities still exist. See GAO, Federal Employees’ Compensation Act: Preliminary Observations on Fraud Control, GAO-12-402, (Washington, D.C.: Jan. 25, 2012).

\(^3\)We reviewed the Department of Labor’s 2010 equivalents for its performance and accountability report, the Agency Financial Report and its Annual Accountability Report.

\(^4\)These reports were issued by federal agency IGs, GAO, and consultants writing on behalf of departments and federal agencies.
select employing agencies to clarify certain recommendations. Enclosure I contains a detailed description of our scope and methodology.

We conducted this performance audit from February 2012 to March 2012 in accordance with 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Division of Federal Employees’ Compensation in the Office of Workers’ Compensation Programs within the Labor administers the FECA program, which provides cash benefits and medical benefits to federal employees who suffer temporary or permanent disabilities resulting from work-related injuries or diseases. After Labor adjudicates and approves claims submitted by employees who are injured in the performance of their federal duties, Labor manages distribution of program benefits in the form of compensation for lost wages, schedule awards (i.e., other payments made for the loss of, or loss of use of, a body part or function), and medical benefits. Labor provides these benefit payments from a compensation fund that federal departments and agencies pay into with operating appropriations.

To make benefit determinations, claims examiners at Labor are responsible for proactively managing cases for beneficiaries until the workers either return to work, are found to be entitled to reduced compensation when they are determined to have a wage-earning capacity, or are determined to have no reemployment potential for an indefinite period of time. FECA does not limit total benefits received by the age of the recipient.

When managing claims, Labor places injured workers, or beneficiaries, into two categories—claims receiving medical benefits only and claims receiving wage-loss benefits. For the wage-loss category, Labor has 2 subcategories—long-term rolls or short-term rolls—based on how long a beneficiary has received benefits. Long-term beneficiaries are those who have been receiving FECA wage-loss compensation for 90 days or longer. Conversely, short-term beneficiaries are those who have been receiving FECA wage-loss compensation for less than 90 days. Regardless of how long a beneficiary remains on the rolls, eligible workers with temporary or permanent total disabilities who have no spouse or dependent generally receive wage--loss compensation equal to 66⅔ percent of their salary at injury. Those with a spouse or dependent receive 75 percent. However, based on various eligibility factors, the amount of

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5We determined whether recommendations were open, closed and implemented, or closed and not implemented, for example.

6Workers’ compensation costs are assigned to employing agencies annually at the end of the fiscal accounting period for the program, which runs from July to June. Each year, Labor furnishes each agency with a “chargeback report” which is a statement of payments made from the fund that accounts for injuries to federal employees. The agencies include these amounts in their budget requests to Congress. The sums appropriated are deposited into the fund.

7The compensation benefits paid to injured workers are not subject to federal taxes and are capped at 75 percent of the monthly pay of the maximum rate of basic pay for GS-15, step 10. Benefits are subject to an annual cost-of-living adjustment.

8Labor refers to beneficiaries on the rolls 90 days or longer as being on the periodic rolls and less than 90 days as daily roll beneficiaries. For the purposes of the report, we will refer to periodic rolls beneficiaries as long-term beneficiaries and daily roll beneficiaries as short-term beneficiaries.
wage-loss compensation can vary widely. Additionally, an employee may also receive a schedule award payment even if he or she has returned to full-time work. One goal of the program is to return beneficiaries to work as soon as possible.\(^9\) In order to continue receiving benefits, injured workers are required to provide each year\(^10\) for Labor’s review documentation that supports their continued disability and benefit level. Labor also provides vocational rehabilitation\(^11\) for those ready to return to work and/or refers injured workers for second medical opinions to assess continuing disability.

Employing departments and agencies play a critical role in assisting Labor's management of the claims for injured workers. For example, as part of their responsibilities, departments and agencies are to notify employees of their rights under FECA, initiate the FECA claim, and provide timely notification of the claim to Labor. In this capacity, departments and agencies serve as the program’s first point of contact with the injured worker. Labor does not usually assume management of an injured worker’s case until the continuation of pay period has passed.\(^12\) Program regulations allow agencies to challenge an injured worker’s right to certain benefits, such as continuation of pay, and also to contest facts presented in an injured worker's claim for FECA benefits. Once a claim has been accepted by Labor, agencies can no longer challenge the validity of the claim, but, according to department officials, agencies can submit additional evidence for consideration by Labor. In this capacity, departments and agencies can assist Labor in its efforts to return beneficiaries to work when Labor determines that the worker is able to work.

Agency duties include the following:

- ensuring that agency personnel, such as supervisors, understand their responsibilities under FECA;
- providing and tracking COP when employees are unable to work;
- assisting employees with their return to work as soon as possible;
- monitoring the medical status of injured employees to ensure they return to work; and,

\(^9\) According to Labor officials, immediately after an injured worker reports a disability without a return to work date, Labor places that beneficiary’s claim into its Quality Case Management (QCM) process which consists of a rigorous series of disability interventions lasting 30 months or until disability ends, whichever is shorter. During this process, Labor assigns a nurse who can accompany the beneficiary to doctor visits and works collaboratively with Labor’s claim examiners and employing agency to facilitate a return to work. Nurses are automatically assigned for a 4 month timeframe and can be extended up to 6 months by the claims examiner. If the original employing agency cannot re-employ the injured worker or accommodate any physical restrictions resulting from the work injury, Labor may require that the beneficiary undergo vocational rehabilitation. If no employment is secured during the QCM process, the beneficiary’s claim then moves to the periodic roll management (PRM) process. Whether the case is in QCM or PRM, Labor conducts annual reviews to determine continued entitlement.

\(^10\) Labor also reviews documentation semiannually to verify a dependent’s status, including the continued matriculation of students over 18 years of age.

\(^11\) Labor’s Policy Manual states that only permanently disabled employees may participate in vocational rehabilitation programs.

\(^12\) If employees are unable to return to their duties as a result of the injury, they are generally entitled to up to 45 days of continuation of pay (COP), which entails the agency continuing to pay the employee’s regular pay. COP is authorized for traumatic injury but not for occupational illnesses or other diseases. If employees are still unable to return to work at the end of the 45 days, they are entitled to begin receiving compensation for lost wages.
ensuring that appropriate costs are charged to the agency by Labor, or verifying the accuracy of this process.¹³

Results in Brief

Labor and IGs from employing departments and agencies have consistently reported similar FECA program management challenges, such as oversight and information technology, and have linked these to increased program costs through improper payments. For example, one IG reported in 2007 that its department could not appropriately manage its long-term rolls and contain improper payments because staff assigned to this task spent no more than 10 percent of their time managing cases. Additionally, citing ongoing program weaknesses—mostly related to oversight—IGs have reported avoidable costs at employing departments and agencies, which one department reported were as high as $41 million in 2011. Above and beyond the actions departments and agencies can take to address these challenges, some IGs have also reported that legislative reform is necessary to better manage the program. In an effort to alleviate the impact of management challenges, IGs collectively made over 200 recommendations since 1994, mainly to improve FECA’s oversight, and most of these recommendations have been implemented.

Prior FECA Reports Have Identified Four Areas of Management Challenges

Oversight

Beginning with its 2004 Performance and Accountability Report and every year since, Labor has indicated that adequately overseeing the FECA program was one of its chief management challenges. Specifically, Labor cited oversight difficulties such as verifying beneficiaries’ program eligibility, managing payments while balancing timeliness and accuracy, and communicating with employing departments and agencies.

Consistent with Labor’s focus on oversight, 52 of the 65 reports we reviewed focused on the need to strengthen oversight of the program at the department or agency level. Among the 52 reports, IGs most often reported that certain policies and procedures did not exist, or when they did exist, they were not always followed. When departments and agencies did not have procedures, most often this deficiency was related to a lack of controls that would have enabled staff to verify beneficiaries’ continued eligibility, monitor chargeback costs submitted by Labor, recoup payments that should have been charged to third parties, and return employees to work. For example, Labor’s IG recommended that the FECA program develop a working group whose purpose would be to determine the readiness of long-term beneficiaries without a wage earning capacity designation to return to work. While Labor has made progress in this area,¹⁴ in 2010—

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¹³Reviewing chargeback reports at the department level provides a quality check on Labor’s assessment. Departments and agencies failing to perform this critical function may be charged for inappropriate costs.

¹⁴In 2008, Labor’s IG reported almost twice as many beneficiaries in this category.
the most recent year for which we have data—over one-third of all long-term disabled workers (11,058) did not have a current determination of their wage-earning capacity.\footnote{According to Labor officials, this is largely due to the fact that the medical evidence does not support that the injured worker can return to work in any capacity. Alternatively, if partially disabled with some work capacity, the beneficiary may not have reached maximum medical improvement yet, and Labor may decide to wait before formally issuing a wage earning capacity determination. Once Labor makes a wage earning capacity determination, that decision cannot be overturned unless 1) the original rating was made in error; 2) the beneficiary’s medical condition has materially changed; or, 3) the beneficiary has been vocationally rehabilitated and can earn at least 25 percent more than the current pay of the job for which the beneficiary was originally rated. Because of this, Labor officials contend that it is more beneficial and cost-effective for the agency to wait until maximum medical improvement has been attained so the beneficiary’s wage earning capacity can be set at a higher rate.}

In over half of the 52 reports that highlighted oversight issues, IGs found that department and agency staff did not fully understand their roles or Labor’s when administering the program or that they did not always manage program resources in an effective manner. IGs reported that workers’ compensation program staff at some agencies did not consistently assess costs charged to their agency and address errors. Additionally, staff at one agency believed assessing the costs charged to them was Labor’s responsibility. Some staff at other agencies also told IGs that they did not have responsibilities for case management. Other reports indicated that staff have a range of responsibilities, of which monitoring FECA is only one. For instance, one IG reported in 2007 that staff spent no more than 10 percent of their time managing FECA cases because managing these cases was not viewed as a priority at that department. As a result of this and other deficiencies, the IG concluded that the department was unable to appropriately manage its long-term cases. Several IGs emphasized that providing adequate resources, such as dedicating staff to a workers’ compensation program and obtaining key data related to eligibility, is a key practice and has the potential to lessen the likelihood of beneficiaries inappropriately remaining on the rolls.

Overall, the impact of insufficient oversight at the departmental level has been significant according to various sources. For instance, one IG reported in 2011 that its department unnecessarily paid about $41 million each year due to insufficient program oversight. The report identified deficiencies in how that agency returned injured workers to work, monitored its long-term rolls, maintained case files, and detected fraud as significant contributors to FECA program costs. Reports we reviewed concluded that agency oversight could be strengthened with a variety of techniques including active case management practices such as periodically reviewing and updating information on long-term disability cases or intervening early through scheduled interactions when new beneficiaries are placed on the rolls.

Information Technology

Our review of the IG reports found that information technology was a critical challenge for agencies, with some reporting they did not have an adequate internal system to administer the program. Roughly a quarter of the 65 reports we reviewed cited challenges related to deficient information technology. IGs reported that a few departments and agencies did not have adequate systems to manage new and existing claims from injured workers. At these departments, staff responsible for managing claims used paper-based systems to manage hundreds of files. One agency reported as recently as 2009 that it did not have the software needed to download and review reports regarding what it owed the compensation fund that pays out benefits. System inadequacies also contributed to untimely filing of forms and documentation that Labor needs to adjudicate and manage claims in a timely manner.
According to one IG, inadequate systems presented problems with knowing the status of a case, projecting current and future costs associated with that case, and following through on an employee’s return to work. According to a Labor official, information technology remains a critical challenge for employing departments and agencies. Because of the cost of information technology, relatively few departments and agencies are able to develop and maintain their own systems.

A number of recent developments may lessen the impact of some of the challenges in this area. To improve its ability to determine claimant eligibility and reduce improper payments, Labor enhanced its FECA information systems in 2008 to include features that remind claims examiners when they need to receive status updates, such as changes to income, a beneficiary’s dependents going to college, or the remarriage of a widow receiving death benefits. Additionally, to further mitigate information technology deficiencies at the department and agency level, Labor deployed a new, web-based claims filing system—Employees’ Compensation Operations and Management Portal, or ECOMP—in 2012 that allows federal departments and agencies to electronically file program claims forms, conduct data mining, and perform trend analyses.16

**Legislative Reform**

As mentioned previously, Congress is currently considering several legislative proposals that would reform the FECA program.17 Twelve of the 65 reports we reviewed suggested that comprehensive reform of the program is necessary to manage costs and realize greater program efficiency. Recently, one IG reported that because the program had not been reformed in over three decades, the program did not include market-based characteristics such as maximum time and benefit limits, settlement and buyout options,18 and enhanced return-to-work and rehabilitation programs that would help manage costs. The IG estimated that because the program was without such mechanisms, its agency will pay an additional $335 million each year. In past reports, this IG also indicated that it could potentially realize numerous benefits if it administered its own workers’ compensation program. Its proposals have included offering the same compensation rate for all beneficiaries and delaying continuation of pay benefits.

Other reports have concluded that there is a need to eliminate statutory limitations that prohibit access to the critical federal data needed to better manage claims.19 According to work completed by these agencies, data obtained from the Internal Revenue Service, Social Security Administration (SSA), or Health and Human Services could assist in efforts to verify potential outside earnings or provide updated eligibility information on beneficiaries. Additionally, we have

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16Labor will offer ECOMP free of charge to any federal department or agency. The system, as designed, will also allow employees and employers to upload documents directly to a beneficiary’s file, which may enable Labor to more quickly adjudicate claims.

17For example, H.R. 2465 passed by the House in November 2011, would, among other things, authorize the Secretary of Labor to require, as a condition of receiving FECA compensation, that a beneficiary consent to the release of the beneficiary’s Social Security earnings information. S. 1789, reported by the Committee on Homeland Security and Government Affairs in January 2012, would among other things, set the payment an employee receives for total disability at retirement age at 50 percent of the pre-injury monthly pay of the employee.


19For example, according to Labor’s IG, the Privacy Act of 1974 generally prohibits agencies, including SSA, from disclosing earnings without the beneficiary’s authorization.
previously reported that providing access to data used to validate external information from beneficiaries is a key practice that can help reduce program vulnerabilities. Currently, in addition to its annual verification process, Labor may verify reported incomes by using beneficiaries' Social Security numbers; and income, if earned, can offset program benefits. However, to perform this data check, Labor must first obtain permission from the beneficiary. In its 2007 report on automated cross-matching using federal data, SSA found that the absence of access to key federal data such as Social Security information resulted in injured workers across all departments and agencies receiving FECA benefits totaling $48.8 million while earning another $12.6 million in wages unreported to Labor.

Other Factors

To a lesser extent, Labor and a few IGs identified other factors that challenge departments’ and agencies’ ability to manage program costs. Labor reported that some of these factors were the economy, workplace characteristics, and rising medical costs. With regard to the economy, Labor reported that the impact of a downturn in the economy might directly impair the effectiveness of program components such as vocational rehabilitation. Specifically, in its 2009 Performance and Accountability Report, Labor said that its ability to return injured workers to the workplace was influenced by the numbers of claimants, types of jobs available, and skills required for available federal positions or in the private sector. Additionally, a Labor report noted that it would be difficult to understand the impact of an economic downturn on Labor’s ability to return beneficiaries to work in a timely manner. Labor also cited modernization of the workplace as an impediment to return-to-work efforts. For instance, Labor noted that modernization efforts at one agency have eliminated many traditional jobs that the agency previously drew upon for return-to-work efforts. Because of these efforts, the agency has reduced its workforce by 27.5 percent since 2001. Labor also said new compensation claims and the type of care needed reflect an aging federal workforce. Consequently, the time needed to recover from these injuries has increased in recent years. Labor also found that it generally is more expensive to pay for treatments resulting from today’s injuries. In 5 of the 65 reports we reviewed, IGs also described some of these other factors as those beyond their control or general workplace conditions that contribute to rising workers’ compensation costs. For example, one agency reported that injuries sustained by federal workers in health care facilities from violent patients represented as many as half of all workers’ compensation cases at one regional facility and about 7 percent department-wide as reported in 2004, with a total cost of $7.2 million each year. While the department has taken corrective actions to address this issue, our 2011 report provides evidence that violent patient incidents remain a challenge.

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20 Labor currently relies upon self-reported data from claimants to provide information on their continued eligibility for benefits. In a prior report, we noted this approach was problematic because of the potential to provide erroneous information, making the program vulnerable to improper payments. See GAO, Federal Workers’ Compensation: Better Data and Management Strategies Would Strengthen Efforts to Prevent and Address Improper Payments. GAO-08-284 (Washington, D.C.: Feb. 26, 2008).

21 We also noted in our 2008 report that, unlike other federal agencies such as SSA or Veterans’ Affairs, Labor does not conduct a systemic data match of its records against SSA’s wage records to identify unreported earnings. Instead, Labor conducts matches on an ad hoc basis for individual claims with suspect, unreported earnings.

22 GAO, VA Mental Health: Number of Veterans Receiving Care, Barriers Faced, and Efforts to Increase Access, GAO-12-12 (Washington, D.C.: Oct 14, 2011).
Most Recommendations from Prior FECA Reports Have Been Implemented

Of the 228 recommendations made since 1994, 178 were closed and implemented. Most of the recommendations made in reports we reviewed were to strengthen oversight—183 in total. Almost half of these recommendations addressed inadequate or nonexistent internal control policies; the remainder addressed communication, guidance, and data. Roughly 90 percent of the recommendations related to internal controls were implemented. While information technology was the second most discussed deficiency in reports, IGs made far fewer recommendations in this area. Fourteen of 19 recommendations made were closed and implemented. Of the 9 recommendations made regarding legislative reform of FECA, 2 have been closed and implemented. More than half of the 9 recommendations would involve changing the benefits or structure of the program. Overall, most of the recommendations that remain open are associated with reports published within the last 5 years. Table 1 provides more information on the recommendations by program challenge.

Table 1: Status of FECA Recommendations Made since 1994 by IGs and Others, as of March 2012

<table>
<thead>
<tr>
<th>Status of recommendations</th>
<th>Oversight</th>
<th>Information technology</th>
<th>Legislative reform</th>
<th>Other factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed and implemented</td>
<td>148</td>
<td>14</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Closed, partially implemented</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closed, not implemented</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Open</td>
<td>7</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Status not known</td>
<td>16</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total recommendations</strong></td>
<td><strong>183</strong></td>
<td><strong>19</strong></td>
<td><strong>9</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

Source: GAO analysis of findings presented by IGs, GAO, and consultants.

Note: Open recommendations are those recommendations where action has not been taken but may be taken in the future, actions are in the planning stage, or actions have been taken on only part of the recommendation. Recommendations that are considered “closed, implemented” are those where the action has been fully implemented or action has been taken that essentially meets the recommendation’s intent, i.e., the action meets the spirit—rather than the letter—of the recommendation, or all parts of the recommendation have been implemented. A recommendation that is “closed, partially implemented” means that one or some of the multiple parts of a recommendation have been closed. A recommendation is considered “closed, and not implemented” when the agency/Congress has no intention of implementing the recommendation or matter for congressional consideration or circumstances have changed and the recommendation or matter is no longer valid.

*aWe classified another 16 recommendations in a miscellaneous category. Of these, 13 were closed and implemented.

Even though the majority of recommendations have been closed, recently issued reports indicate that the FECA program continues to face management challenges. For example, a 2012 report by Labor’s IG suggests that oversight remains a challenge.23 The report found that Labor did not always take timely action to terminate benefits when notified of FECA claimants’ death; had not designed effective procedures to ensure that benefit payments were reduced for FECA claimants who were collecting SSA retirement benefits; and had not yet implemented additional training for claims examiners on preventing improper payments by ensuring payment accuracy.24 Similarly, in 2012, we reported that limited access to necessary data was potentially reducing agencies’ ability to effectively monitor claims and wage-loss information, and that the

23Labor, OWCP’s Effort to Detect and Prevent FECA Improper Payments Have Not Addressed Known Weaknesses. DOL-03-12-001-04-431, February 2012.

24Labor officials informed us that staff received training on improper payments in January 2012.
agencies’ reliance on self-reported data related to wages and dependent status, among other things, reduces the program’s ability to prevent and detect fraudulent activity.25

Agency Comments and Our Evaluations
We provided a draft of this report to Labor for review and comment. Labor provided technical comments, which we incorporated into the report as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of Labor, and other interested parties. The report also will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff members have questions concerning this report, please contact Andrew Sherrill at (202) 512-7215 or sherilla@gao.gov or Phillip Herr at (202) 512-2834 or herrp@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in enclosure II.

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Education Workforce
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Enclosures: 2

25GAO-12-402.
List of Committees

The Honorable Susan M. Collins
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate

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Chairman
Subcommittee on Federal Financial
Management, Government Information,
Federal Services and International Security
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United States Senate

The Honorable Claire McCaskill
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Ad Hoc Subcommittee on Contracting Oversight
Committee on Homeland Security
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United States Senate

The Honorable Tom Coburn
Ranking Member
Permanent Subcommittee on Investigations
Committee on Homeland Security
and Governmental Affairs
United States Senate

The Honorable Darrell Issa
Chairman
Committee on Oversight and Government Reform
House of Representatives
Enclosure I: Scope and Methodology

To identify the Federal Employees’ Compensation Act (FECA) program management challenges, we reviewed the Department of Labor’s (Labor) *Performance and Accountability Reports* from 2004 to 2010 and identified common themes from each of these reports related to the management of the FECA program. Our analysis resulted in four commonly identified themes for program management challenges. We used these themes as a framework to group other work developed by Inspectors General (IG) government-wide.

Reviewing the Work of IGs

To identify findings related to the management challenges of the FECA program from the perspectives of the 75 departments and agencies that participate in FECA, we conducted a search of all Inspectors General (IG) websites utilizing a web search engine to identify reports authored by the IGs on the FECA program. To complete this search we used key words such as “Federal Employees’ Compensation Act,” “workers’ compensation,” “federal workers’ compensation,” and “FECA” to narrow the results of the search. We identified 74 reports issued since 1994 from these websites. We identified another 4 through other means. We also contacted departments and agencies with significant FECA costs in chargeback year 2010, as well as those for which the web search engine failed to identify any publicly available reports on FECA. There were three departments—Department of Defense, Army, and Air Force—for which neither the search engine nor officials identified any reports.

Content Analysis

We performed a content analysis on 65 reports identified through our search and other methods. These reports were issued by IGs, GAO, and consultants writing on behalf of departments and agencies. To complete the content analysis, reviewers independently read each report and coded them into separate data collection instruments using the FECA program challenges framework described above. Reports could be defined by more than one category. The reviewers later met to discuss their coding and to reach agreement where there were discrepancies. For each report, reviewers were asked to identify such information as the key program challenge(s), key practices departments and agencies identified as remedies to the challenge(s), and the monetary implications of these challenges. Where IGs noted potential future savings or forfeited savings, reviewers recorded the amount.

To determine what actions have been taken to address the program challenges, we identified the actions taken by departments and agencies by reviewing the recommendations made in the reports mentioned above. Reviewers grouped these recommendations using the established themes for program management challenges. Additionally, we followed up by e-mail and telephone with each of the IGs issuing reports to determine the status of these recommendations. We coded the status in terms of “closed and implemented”, “closed and not implemented,” “closed, partially implemented” and “open.” We used semi-structured interviews with Department of Labor officials and others to obtain clarification on the status of some recommendations.

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26 We reviewed the Department of Labor’s 2010 equivalents for its performance and accountability report, the *Agency Financial Report* and its *Annual Accountability Report.*

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We also utilized data from Labor’s claims management system to provide additional detail on the numbers of claimants on the FECA rolls. We assessed the reliability of these data by (1) electronically testing required data elements, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data we reviewed were reliable for the purposes of this report.
Enclosure II: GAO Contacts and Staff Acknowledgments

GAO Contacts
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Staff Acknowledgments
In addition to the contact named above, key contributors to this report were Patrick DiBattista, Brandon Haller, Carla Craddock, Michelle Bracy, Tonnye Conner-White, Robert Heilman, David Forgosh, Elke Kolondinski, Jodi Munson Rodriguez, Erin Cohen, Melinda Cordero, Walter Vance, James Rebbe, James Bennett, and Kathleen van Gelder.
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