

ENERGY EMPLOYEES COMPENSATION

DOL Generally Followed Its Procedures to Process Claims but Could Strengthen Some Internal Controls

Why GAO Did This Study

EEOICPA was enacted in 2000 to compensate employees and contractors of the Department of Energy whose illnesses are linked to their work in the nuclear weapons industry. Part E of the Act, enacted in 2004, compensates these contractor and subcontractor workers, or their eligible survivors, for medical expenses, impairments, and lost wages up to \$250,000. GAO was asked to review DOL's management of this program.

GAO examined (1) the extent to which DOL follows its procedures to adjudicate Part E claims, (2) how DOL captures new links between toxic substances and diseases and applies them to adjudication, and (3) what DOL's monitoring indicates about the adjudication process and whether any corrective actions have been taken to address identified problems. GAO reviewed a generalizable stratified random sample of 200 Part E claims filed from 2010 through 2014; reviewed applicable federal laws, regulations, guidance, internal audit reports, and other agency documentation associated with internal monitoring; and interviewed DOL officials.

What GAO Recommends

GAO recommends that DOL take steps to ensure all decision letters receive supervisory review, and require that claims examiners document that they checked whether the SEM had been updated just prior to issuing a decision to deny a claim. DOL agreed with the recommendations and indicated it would take steps to implement them.

What GAO Found

The Department of Labor's (DOL) adjudication process for compensating Department of Energy contract workers or their survivors for illnesses linked to work in the nuclear weapons industry generally follows guidance and procedures implementing Part E of the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA). Although GAO's analysis of a generalizable sample of 200 claims filed by workers from 2010 through 2014 found the adjudication process generally followed DOL's guidance and procedures, GAO identified some inconsistencies in an estimated 10 percent of the claims, including errors in correspondence to claimants and in development of claims. The procedure manual stipulates that written decisions should clearly convey information that led to the decision and that decisions are to be reviewed by the appropriate signatory. GAO found that decisions sometimes contained inaccurate, conflicting, or incomplete information, such as listing the wrong medical condition. DOL also did not always run accurate searches of its Site Exposure Matrices (SEM)—an online electronic database of facilities, toxic substances, and associated illnesses—when processing claims, or responding to requests for reopening claims. In addition, GAO found that supervisory review is at the discretion of each district office and, as a result, recommended decisions on claims were not always reviewed. This may increase the likelihood of poorly written decisions, which is inconsistent with procedures and which, in turn, increases the potential for claimant confusion and delays in adjudication.

DOL uses the SEM to, among other things, document newly identified causal links between toxins and diseases on the basis of medical research. According to DOL officials, since 2006 the number of such links listed in the SEM has increased from about 300 to over 3,000. They said that due to the large volume of information updates, DOL provides limited notification to claims examiners and the public when they occur. It has issued 10 notices specifically on new links since 2006. Therefore, it is usually incumbent on claims examiners and claimants to make themselves aware of new links by continuously checking the SEM for updates. As a result, new links are applied to claims largely to the extent these checks are performed. However, claims examiners are not always required to document that they checked whether the SEM had been updated prior to issuing a recommended decision to deny a claim. This gap in documentation hinders DOL's ability to monitor program performance, consistent with federal internal control standards.

According to DOL's monitoring, its process for adjudicating Part E claims is working satisfactorily, but persistent deficiencies remain. DOL conducted reviews from fiscal years 2010 through 2014 based on random sampling and found that the process for adjudicating claims met DOL's acceptability standards in any given year. Nonetheless, DOL consistently found deficiencies in certain adjudication steps across all years, including insufficient use of program resources to fully develop claims and improperly written decisions, as GAO also identified in its claim file review. DOL took corrective actions, such as training for claims examiners, to address deficiencies in 2010 through 2012, but determined that corrective actions were not warranted in 2013 and 2014.