



DEC 16 2002

MEMORANDUM FOR ELLIOT P. LEWIS

Assistant Inspector General for Audit

D. M. Wilk For

FROM:

VICTORIA A. LIPNIC

SUBJECT:

Audit of Controls Over the Disclosure, Access,
and Use of Social Security Numbers in the
Federal Employees Compensation Act Program
Draft Audit Report Number 03-03-002-04-001

This is in response to your December 3, 2002 memorandum requesting our review and comments on the subject report. ESA has reviewed the report and our comments are attached. If there are questions, Rose Broadwater or Cecily Rayburn may be contacted at 693-0285 or 693-0990, respectively.

Thank you for the opportunity to review and comment on the draft report.

Attachment

**ESA's Response to the OIG Draft Audit Report Entitled
Controls Over the Disclosure, Access, and Use of Social Security Numbers in the
Federal Employees' Compensation Act Program, Report No. 03-03-002-04-001**

The Employment Standards Administration generally agrees with the findings and recommendations in this draft audit report but have the following comments:

Page 5: Number 5, Rehabilitation, in the list of six FECA contractors, incorrectly indicates that DFEC has contracts with numerous vocational rehabilitation counselors. This should read "**OWCP** has contracts. . . ."

Page 7: In the section entitled Scope and Methodology, the first sentence should be corrected to read "We selected **DFEC** for our audit" as opposed to "We selected **FECA** for our audit." In the same section, the draft report incorrectly states that OWCP administers **five** DOL programs: FECA, Black Lung, **Wage and Hour**, Longshore, and Energy Employees' Occupational Illness Compensation. OWCP only administers four programs. OWCP does not administer Wage and Hour.

Page 10: Under the heading Recommendation, we do not believe that we can ever "ensure" that the claimant is aware of the Privacy Act and would prefer to see the following language: We recommend that the Assistant Secretary for Employment Standards require OWCP to revise the standard claimant forms to focus attention on the Privacy Act Disclosure Statement. This can be accomplished. . . ." In addition, the citation to the FECA regulations in footnote four on page 10 should be revised to read "20 C.F.R. § 10.100(a)."

Page 11: In the "Finding Number 2" box at the top of the page, we would like to see the language revised to state: "A **Cost-Effective Plan for Onsite Monitoring of Contractors and Other Entities Needs to be Implemented.**" In the first paragraph, fourth line, we would prefer the wording "**remote site contractors**" as opposed to "**multi-site contractors.**" The same wording substitution should be made in the third paragraph, first line.

Page 12: Under the heading "Privacy Act Notification," second line, the word "**consistently**" should be substituted for the word "**adequately**".

Page 13: In regard to recommendation three, DFEC will provide second opinion and IME physicians a cover letter when providing them claimant files or documentation, explaining in detail the physicians' responsibility to comply with Privacy Act requirements.

Also, DFEC has implemented case file imaging which eliminates loss of claim files. The extent and cause of any loss of claimant files by IME physicians will be explored and any necessary corrective action taken.