

BRIEFLY...

Highlights of Report Number 03-12-003-04-431, issued to the Acting Director, Office of Workers' Compensation Programs.

WHY READ THE REPORT

The Federal Employees' Compensation Act (FECA) authorized a disability compensation program administered by the Department of Labor's (DOL) Office of Workers' Compensation Programs (OWCP). FECA provides several types of benefits, including compensation for wage loss, schedule awards, medical and related benefits, and vocational rehabilitation services to Federal civilian employees for conditions resulting from injuries sustained in the performance of duty.

FECA medical benefits include reimbursements to claimants for transportation costs they incur to obtain reasonable and necessary medical services. FECA regulations state that claimants must submit to OWCP for prior authorization, a written request with information describing the circumstances and necessity of the travel. In addition, OWCP requires that claimants submit receipts for non-mileage travel exceeding \$75 before the agency will pay the claim.

WHY OIG CONDUCTED THE AUDIT

We conducted an audit of FECA transportation costs to answer the following question:

Does OWCP have adequate internal controls to prevent unreasonable and unallowable transportation cost reimbursements to FECA claimants?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2012/03-12-003-04-431.pdf>.

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CONTROLS OVER TRANSPORTATION COST REIMBURSEMENTS TO FECA CLAIMANTS NEED STRENGTHENING

WHAT OIG FOUND

OWCP did not have adequate internal controls to prevent unreasonable and unallowable transportation cost reimbursements to FECA claimants. Our testing of 91 randomly selected claims found 6 percent requiring OWCP authorization were paid without any review; and 46 percent requiring receipts were paid without the claimant submitting them. Review of 9 claimants, who each received more than \$35,000 in transportation reimbursements disclosed patterns of abuse, including overstated mileage and multiple trips on the same day, as well as no OWCP authorization prior to making payments. Our review of 22 single transportation claims that were more than \$500 found problems in 9 of the claims, such as bill-processing errors and inflated mileage, which resulted in \$3,771 in overpayments.

These conditions occurred because OWCP did not comply with its policies and procedures for reviewing and authorizing transportation claims. Furthermore, these policies and procedures did not comply with FECA regulations, which required authorization for round trips of more than the 100 miles. In addition, OWCP did not require claims examiners to document how they determined the reasonableness and accuracy of mileage that claimants charged for medically-related trips, and the agency did not have controls in place to identify and investigate patterns of potential travel fraud and abuse by high-dollar claimants.

WHAT OIG RECOMMENDED

We recommended the OWCP Acting Director strengthen controls to reduce the risk of improper overpayments and abuse of FECA transportation costs, and recover \$3,771 in improper reimbursements.

Overall, OWCP agreed with the report findings and recommendations. OWCP stated that some of the report recommendations can be readily addressed while others will require additional review.