

OWCP Response to Draft Report

U.S. Department of Labor

Employment Standards Administration
Office of Workers' Compensation Programs
Washington, D.C. 20210



File Number:

SEP 28 2012

MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General
for Audit

A handwritten signature in blue ink, appearing to read "Gary A. Steinberg", written over a horizontal line.

FROM: GARY A. STEINBERG
Acting Director
Office of Workers' Compensation Programs

SUBJECT: Audit of Controls Over Transportation Cost Reimbursements
to FECA Claimants (Report No. 03-12-003-04-431)

Thank you for the opportunity to address the final report for the Office of Inspector General's Audit of Controls Over Transportation Cost Reimbursements to Federal Employees' Compensation Act (FECA) Claimants. This audit has surfaced some opportunities for improvement in our controls over transportation costs. Some of the report recommends can be readily addressed while others will require additional review by the Office of Workers' Compensation Programs (OWCP).

OWCP agrees with the recommendation to implement a monitoring procedure over the Central Bill Processing (CBP) contractor to ensure it is obtaining claims examiner authorizations and receipts for non-mileage travel costs, as appropriate, prior to making payments. We will work with our CBP contractor and implement a monitoring procedure for claimant travel by January 31, 2013.

The recommendation to implement procedures requiring claims examiners to determine whether mileage requiring authorization is reasonable and to document the basis for their determination will require additional consideration to address. OWCP is committed to reviewing the current processes and developing a plan to address mileage authorization issues by March 31, 2013.

OWCP agrees with and has implemented the recommendation to revise the threshold requiring authorization for mileage to obtain medical services from 200 mile to 100 miles in accordance with the FECA regulations.

Working for America's Workforce

As for the recommendation to recover the \$3,771 identified as overpayments as a result of CBP contractor processing errors, we agree that overpayments should be recovered to the extent there is authority to recover the funds. However, our review indicates that, of the amount identified as overpayments due to the CBP contractor error, only \$450 was attributable to contractor error. The balance was due to "excess mileage charges." OWCP will review its authority to recover these payments and initiate appropriate collection procedures.

The report also includes a recommendation to develop and implement a surveillance report process to identify claimants who receive large annual in transportation cost reimbursements to determine if there is potential abuse and/or fraud and single travel cost reimbursement payment over \$500 to determine if any were improperly paid. OWCP agrees in part with the recommendation. OWCP will work with our CBP contractor to implement a surveillance report that identifies claimants receiving large annual transportation reimbursements by March 1, 2013. Further review is needed to determine appropriate actions for monitoring single travel cost reimbursements over \$500 and processes for determining potential abuse and/or fraud.

Thank you and your staff for your thoughtful recommendations. Please contact Cecily Rayburn at 202-693-0990 if you have any questions.

cc: Michael Hill, Audit Director