

U.S. Department of Labor

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



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

FROM: **LEONARD J. HOWIE III** 
Director
Office of Workers' Compensation Programs

SUBJECT: District of Columbia Workmen's Compensation Act
Special Fund Audit
Management Letter No. 22-15-014-04-432

This memorandum responds to the above referenced management letter. We concur with the matters noted by the Office of Inspector General's and have already taken corrective action. Division of Longshore and Harbor Workers' Compensation management took the following steps to ensure these matters will not reoccur:

1. In July 2014, the Financial Branch Chief personally reviewed all assessment bills prior to mailing them to ensure none of the assessments were being sent to any insolvent carriers/self-insured employers. Management established procedures to ensure these reviews will continue to be performed.
2. In August 2013, staff were trained to ensure they used seized funds of carriers and self-insured employers to pay compensation and medical benefits only, and not to pay the assessments of insolvent carriers.
3. In July 2014, all liquidated carriers were terminated in the Security Information System so those carriers would no longer be included in the assessment calculation and future invoices would no longer be generated.
4. In September 2014, staff were instructed to immediately terminate liquated carriers/self-insured employers from all Fund systems and transfer the coding of any pending cases from 33 U.S.C., Section 932(a), to 33 U.S.C., Section 918(b).
5. In January 2015, the Fund Assessment Role Systems Manual and the Fund Security System Role Systems Manual were updated by management to reflect the new insolvency procedures.

Working for America's Workforce

We believe these additional compensating controls will ensure the integrity of the assessment process. As always, we appreciate the opportunity to provide input and look forward to continued collaboration with your office.

cc: Gary Steinberg, Deputy Director, OWCP
Antonio Rios, Director, Longshore and Harbor Workers' Compensation, OWCP
Sam Shellenberger, Director, Financial Administration, OWCP
Jatin Wahi, Accounting Officer, Financial Administration, OWCP
Kenneth Ossman, Accountant, Financial Administration, OWCP
