

U.S. Department of Labor

Office of Inspector General—Office of Audit

REPORT TO THE OFFICE OF WORKERS' COMPENSATION PROGRAMS



SPECIAL REPORT RELATING TO THE FEDERAL EMPLOYEES' COMPENSATION ACT SPECIAL BENEFIT FUND

September 30, 2021

KPMG LLP reports included herein were prepared under contract with the U.S. Department of Labor, Office of Inspector General, and by acceptance, they become reports of the Office of Inspector General.

Handwritten signature of Carolyn R. Hanley in cursive.

Assistant Inspector General for Audit
U.S. Department of Labor

Date Issued: November 3, 2021
Report Number: 22-22-001-04-431

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U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



November 3, 2021

To: FEDERAL AGENCIES WITH RESPONSIBILITIES
FOR THE FEDERAL EMPLOYEES' COMPENSATION
ACT PROGRAM

A handwritten signature in cursive script that reads "Carolyn R. Hantz".

FROM: CAROLYN R. HANTZ
Assistant Inspector General
for Audit

SUBJECT: Special Report Relating to the Federal Employees'
Compensation Act Special Benefit Fund – FY 2021
Report No. 22-22-001-04-431

Attached is the special report on the Federal Employees' Compensation Act (FECA) Special Benefit Fund (Fund) that was prepared to assist in the audit of your agency's annual financial statements. The U.S. Department of Labor (DOL), Office of Workers' Compensation Programs (OWCP), Division of Federal Employees' Longshore and Harbor Workers' Compensation (DFELHWC) administers the FECA Fund. DOL's Office of Inspector General (OIG) is responsible for auditing the Fund.

The OIG contracted with the independent certified public accounting firm of KPMG LLP (KPMG) to prepare this audit report on the Fund as of, and for the year ended, September 30, 2021. This special report consists of two reports. The first report is an opinion on the Schedule of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense of the Fund as of, and for the year ended, September 30, 2021, respectively, and for which KPMG issued an unmodified opinion. In connection with this audit, KPMG performed certain tests of controls and compliance with laws and regulations related to the Fund. Its testing of controls disclosed a deficiency in internal control over reporting of benefit expense titled, "Improvements Needed in the Claims Examiners' Review of Federal Employees' Compensation Act (FECA) Claims." This significant deficiency is not considered a material weakness. KPMG's testing of compliance disclosed no instances of noncompliance or other matters that are required to be reported under generally accepted government auditing standards (GAGAS).

The second report is an agreed-upon procedures (AUP) report on the Schedules of Actuarial Liability, Net Intra-Governmental Accounts Receivable, and Benefit Expense of the Fund by agency as of, and for the year ended, September 30, 2021, respectively. This report includes a description of the procedures performed and the results of those procedures.

The sufficiency of the procedures referred to in the AUP is solely the responsibility of the parties specified in this report. Consequently, neither OIG nor KPMG made any representations regarding the sufficiency of the procedures. Because the AUPs performed did not constitute an audit, KPMG did not express an opinion on any elements, accounts, or items as they pertained to the AUP report. Furthermore, neither OIG nor KPMG had any obligation to perform any procedures beyond those listed in the attached report.

KPMG is responsible for the attached reports dated November 3, 2021, and the opinion and conclusions expressed therein. We reviewed KPMG's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with GAGAS, was not intended to enable us to express, and we did not express, opinions on: the schedule of actuarial liability, net intra-governmental accounts receivable, and benefit expense of the Fund as of, and for the year ended, September 30, 2021, respectively; or on the AUP report on the schedules of actuarial liability, net intra-governmental accounts receivable and benefit expense of the Fund by agency as of, and for the year ended, September 30, 2021, respectively. Our review disclosed no instances where KPMG did not comply, in all material respects, with GAGAS.

If you have any questions or comments, please send them via e-mail to:

Sean Gilkerson
Audit Director, Financial Management Audits
U.S. Department of Labor
Office of Inspector General

E-mail: gilkerson.sean@oig.dol.gov

Attachment

Section 1

Financial Section



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Section 1A

Independent Auditors' Report

Mr. Christopher Godfrey, Director
Office of Workers' Compensation Programs, United States Department of Labor:

Report on the Schedule

We have audited the accompanying schedule of actuarial liability and net intra-governmental accounts receivable as of September 30, 2021, and benefit expense for the year then ended, of the United States (U.S.) Department of Labor's (DOL) Federal Employee's Compensation Act Special Benefit Fund (Fund), and the related notes to the schedule (hereinafter referred to as the schedule).

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

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evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule referred to above presents fairly, in all material respects, the actuarial liability and net intra-governmental accounts receivable of DOL's Federal Employees' Compensation Act Special Benefit Fund as of September 30, 2021, and its benefit expense for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

We draw attention to Note 1.b to the schedule, which describes the basis of presentation. The schedule was prepared by management for the purpose of providing information to the Chief Financial Officers Act agencies and other specified agencies to support and prepare their respective financial statements. The schedule is not intended to be a complete presentation of DOL or the Fund's financial position, its net costs, changes in net position or budgetary resources. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

Internal Control over Financial Reporting

In planning and performing our audit of the schedule as of and for the year ended September 30, 2021, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedule, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control



that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in Exhibit I, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's schedule as of and for the year ended September 30, 2021 is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Fund's Response to Findings

The Fund's response to the finding identified in our audit is described in the accompanying Exhibit I. The Fund's response was not subjected to the auditing procedures applied in the audit of the schedule and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
November 3, 2021

Exhibit I

Improvements Needed in the Claims Examiners' Review of Federal Employees' Compensation Act (FECA) Claims

In fiscal year (FY) 2021, the Office of Workers' Compensation Programs (OWCP) continued to make progress in implementing corrective action to address the deficiencies related to the Claims Examiners' (CEs) review of FECA claims that were previously identified.

While OWCP continued to make improvements, we still noted certain instances where the CEs' reviews were not performed in accordance with the FECA Procedure Manual (the Manual). Specifically, we noted the following for a sample of 85 claims selected:

- a. For two claims, the Periodic Entitlement Review (PER) was not timely completed by the CE in the Integrated Federal Employees' Compensation System (iFECS) in accordance with section 2-0812(5) of the Manual. For one claim, the claimant submitted an updated form LS-267, which is used to collect information relating to the payment of death benefits, in October of 2020; however, the CE had not completed the PER as of June 15, 2021. For the second claim, the 2019 and 2020 PERs remained open with no further activities noted within the case until the PERs were closed on June 28, 2021.
- b. For two claims, the CE did not update iFECS for changes reported in the updated form EN-1032, which includes information related to earnings, third party settlements, dual benefits and changes in dependents, in accordance with section 1-500 of the Manual. Specifically, the CE did not update iFECS for two claimants' address changes, as reported by the claimants in Part G – Corrections of the EN-1032.
- c. For one claim, the CE did not suspend payments to the claimant. Specifically, the CE failed to suspend benefits after notifying the claimant of suspension on April 25, 2021. Benefits continued to be paid to the claimant, until suspended on June 19, 2021.
- d. One claim was not reviewed for continuing eligibility, as required by the Manual, because the case was missed for the annual PER creation, and no EN-1032 or form CA-12, an annual form that claimants and beneficiaries complete in order to continue compensation, was sent to the claimant.

The exceptions noted above were due to insufficient controls, such as monitoring controls, to ensure that the CEs' review of the claims were adequately performed and in accordance with the Manual.

Insufficient controls over the CEs' review of claims increase the risk of errors in benefit payments made to claimants.

The following criteria were considered in the determination and evaluation of the findings noted above:

- Section 2-0812(5) of the Manual provides the requirement for the CE to obtain medical and non-medical evidence to determine continued entitlement. This includes requirements for completion of Form EN-1032 and review of medical evidence on a periodic basis.
- Section 2-0812(13) of the Manual provides the requirement for the CE to follow-up with the claimant in response to outstanding issues on the EN-1032.
- Section 1-500(9) of the Manual provides the requirement for the CE to update iFECS for changes in the claimant's address.
- The Government and Accountability Office *Standards for Internal Control in the Federal Government*, Section 10 provides the requirements related to designing control activities.
- The Government and Accountability Office *Standards for Internal Control in the Federal Government*, Section 16 provides the requirements related to management's monitoring of the internal control system.

Recommendations:

We recommend that the Director of OWCP:

1. Complete follow-up actions to determine the claimants' continuing eligibility and the correct amount of the payments, as applicable, and the appropriate resolution of any differences.
2. Revise the design of the control in place related to the periodic secondary review of the PERs to require that the documentation related to the review is maintained and is sufficiently detailed to include information such as the quantitative impact of exceptions identified, the follow-up actions performed to address them, and the final resolution.

Management's Response:

Management agrees with the fact but does not concur with the two findings related to the address changes, included in condition number 2 above. It is not a requirement that the address must be updated as per the procedure manual. Updating the address is optional and not mandatory.

Management agrees to complete the remaining action items related to the identified discrepancies and update iFECS accordingly, as well as implementing the appropriate resolution of any differences.

Management agrees to maintain documentation of secondary reviews that is sufficiently detailed to record the identified deficiency and the final resolution.

Auditors' Response:

As noted in the criteria section above, the Manual requires that claimants' information in iFECS, including claimants' addresses, be updated when changes occur. We will conduct follow-up procedures in FY 2022 to determine whether corrective actions have been sufficiently implemented.

SECTION 1B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**Schedule of Actuarial Liability and Net Intra-Governmental
Accounts Receivable as of September 30, 2021, and Benefit Expense
For the Year Ended September 30, 2021
(Dollars in Thousands)**

Actuarial Liability	<u>\$ 36,325,788</u>
Net Intra-Governmental Accounts Receivable	<u>\$ 4,646,230</u>
Benefit Expense	<u>\$ 3,436,587</u>

See accompanying notes to the schedule

SECTION 1C

Notes to the Schedule of Actuarial Liability and Net Intra-Governmental Accounts Receivable as of September 30, 2020, and Benefit Expense For the Year Ended September 30, 2020

1. Significant Accounting Policies

a. Reporting Entity

The United States (U.S.) Department of Labor's (DOL) Federal Employees' Compensation Act (FECA) Special Benefit Fund (the Fund) was established by the FECA to provide income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The DOL, Office of Workers' Compensation Programs (OWCP) is charged with the responsibility of operating the Special Benefit Fund under the provisions of FECA. The Fund is reimbursed by other federal agencies for the FECA benefit payments made on behalf of their workers. The Fund also receives an appropriation for special cases and older cases where employing agencies are not charged for benefit payments.

Effective March 12, 2021, the American Rescue Plan (ARP) Act, section 4016, "Eligibility for Workers' Compensation Benefits for Federal Employees Diagnosed with COVID-19," mandates that accepted COVID-19 claims (or other accepted claims resulting from a coronavirus pandemic) be paid by the Fund and are not billable to other Federal agencies; related administrative costs, including the fair share costs of non-appropriated agencies, are to be paid by the Fund and are not billable.

b. Basis of Presentation

The Schedule of Actuarial Liability and Net Intra-Governmental Accounts Receivable as of September 30, 2021, and Benefit Expense for the year ended September 30, 2021, of the U.S. Department of Labor's Federal Employees' Compensation Act Special Benefit Fund (the schedule) has been prepared to report the actuarial liability estimate, net intra-governmental accounts receivable, and benefit expense of the Fund. OWCP is responsible for providing this information to the Chief Financial Officers Act (CFO Act) agencies and other specified agencies to support and prepare their respective financial statements. The schedule has been prepared from the accounting records of the Fund. The actuarial liability, net intra-governmental accounts receivable, and benefit expense of the Fund are considered specified accounts for the purpose of this schedule. The schedule is not intended to be a complete presentation of the Fund's financial position, its net cost, changes in net position or budgetary resources.

c. Basis of Accounting

The schedule has been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP).

d. Actuarial Liability Estimate (Future Workers' Compensation Benefits)

The actuarial liability for future workers' compensation benefits reported on the schedule includes the projected liability for death, disability, medical and miscellaneous costs for approved cases as well as an estimate for those cases incurred but not reported. The preparation of the actuarial liability requires management to make certain estimates and assumptions that affect the reported amount. Actual results could differ from the estimated amounts.

The actuarial liability comprises of two components: a billable component that is associated with claims that are billed to employing agencies, and a non-billable component, which includes War Hazards Compensation Act (WHCA) claims. The billable and non-billable non-WHCA components of the actuarial model use the Case Reserve Method to estimate the liability at the claim level, then sums the claim level estimates by agency to obtain a liability estimate for each individual agency. Liability for WHCA claims is determined by the Loss Development Method, which uses a triangle-based approach to estimate the liability. The Loss Development Method utilizes historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period. Both the Case Reserve Method and the Loss Development Method use inflation rate assumptions on both past and future indemnity and medical benefits to adjust past data and project forward.

As required under U.S. GAAP, these projected annual benefit payments have been discounted to present value. Consistent with last year's practice, OWCP derived its discount rates from averages of Treasury Nominal Coupon-Issue Yield Curves that are published by the U.S. Department of the Treasury (Treasury). OWCP used discount rates derived from the Treasury Nominal Coupon-Issue Yield Curve based on an average of the quarterly spot rates presented from July 1, 2016 through June 30, 2021. The discount rates were selected by interpolation of the yield curve averages with maturities that matched average FECA compensation and medical cash flow durations.

To provide more specifics for the effects of inflation on the liability for future workers' compensation benefits, a wage inflation factor (Cost of Living Adjustment) (COLA), and a medical inflation factor (consumer price index-medical) (CPI - Med) are applied to the calculation of projected future benefits. These factors are also used to adjust the historical payments to current-year constant dollars. The liability is determined assuming an annual payment at mid-year.

The compensation and medical inflation rates used in the actuarial model represent five-year averages of published inflation rates ending with the benefit payment fiscal year. The compensation inflation rates are derived from FECA COLA rates that are updated March 1st of each year by the Division of Federal Employees' Compensation. The medical inflation rates are derived from CPI - Med rates published by the Bureau of Labor Statistics and the Office of Management and Budget.

e. Net Intra-governmental Accounts Receivable

The net intra-governmental accounts receivable is the amount due from federal agencies for benefit payments paid to or on behalf of employees of the employing agency as of September 30, 2021. Intra-governmental accounts receivable are considered fully collectible based on historical experience.

2. Actuarial Liability Estimate (Future Workers' Compensation Benefits)

In fiscal year (FY) 2021, the interest rates used to discount billable and non-billable compensation and medical benefits were 2.231 percent and 2.060 percent, respectively.

The compensation COLA and CPI - Med rates entered into the actuarial model to calculate FY 2021 liability estimates were as follows:

<u>FY</u>	<u>COLA</u>	<u>CPI - Med</u>
2022	2.11	2.74
2023	2.48	3.15
2024	2.55	3.56
2025	2.62	3.49
2026+	2.68	3.79

The actuarial liability for future workers' compensation benefits as of September 30, 2021 was attributed to other federal agencies as follows (dollars in thousands):

Agency for International Development	\$26,928
Environmental Protection Agency	51,143
General Services Administration	117,778
National Aeronautics and Space Administration	29,800
National Science Foundation	1,383
Nuclear Regulatory Commission	4,129
Office of Personnel Management	8,800
U.S. Postal Service	15,808,523
Small Business Administration	30,128
Social Security Administration	273,528
Tennessee Valley Authority	327,282
U. S. Department of Agriculture	662,953
U. S. Department of the Air Force	1,155,798
U. S. Department of the Army	1,561,988
U. S. Department of Commerce	173,792
U. S. Department of Defense – other	628,789
U. S. Department of Education	13,938
U. S. Department of Energy	92,712
U. S. Department of Health and Human Services	269,342
U. S. Department of Homeland Security	2,532,178
U. S. Department of Housing and Urban Development	61,732
U. S. Department of the Interior	571,738
U. S. Department of Justice	1,678,737
U. S. Department of Labor	167,665
U. S. Department of the Navy	1,884,128
U. S. Department of State	102,046
U. S. Department of Transportation	773,645
U. S. Department of the Treasury	565,440
U. S. Department of Veterans Affairs	2,447,453
Other agencies	651,361
Non-billable portion	<u>3,650,931</u>
Total Liability	<u>\$36,325,788</u>

3. Net Intra-Governmental Accounts Receivable

Net intra-governmental accounts receivable for the year ended September 30, 2021, consisted of the following (dollars in thousands):

Billed, but not paid as of year end	\$ 3,928,059
Benefit payments not yet billed	747,541
Credits due from the Public	<u>(29,370)</u>
Total net intra-governmental accounts receivable	<u>\$ 4,646,230</u>

Each federal agency is required by FECA to include in its annual budget estimate a request for an appropriation in the amount equal to the agency cost. Agencies not receiving an appropriation are required to pay agency costs from funds directly under their control. In addition, certain corporations and instrumentalities are assessed under FECA for a fair share of the costs of administering disability claims filed by their employees. The fair share costs are included in the calculation to determine the net intra-governmental accounts receivable.

4. Benefit Expense

Benefit expense for the year ended September 30, 2021, consisted of the following (dollars in thousands):

Benefits paid for compensation	\$ 2,143,917
Benefits paid for medical benefits	788,946
Change in accrued benefits	18,523
Change in actuarial liability	<u>485,201</u>
Total benefit expense	<u>\$ 3,436,587</u>

5. Material Concentration of Risk

The U.S. Postal Service (USPS) represents 44 percent of the actuarial liability and 36 percent of the net intra-governmental accounts receivable to the Fund as of September 30, 2021.

The USPS disclosed its lack of liquidity in its FY 2020 audited financial statements and its interim, unaudited financial statements for the third quarter of FY 2021. The

USPS's portion of the FECA actuarial liability and net intra-governmental accounts receivable as of September 30, 2021, together with the USPS's current financial condition, represents a material concentration of risk for the Fund. On October 15, 2021, USPS paid their FY 2021 Chargeback bills totaling \$1,325,054,696.

Section 2

Agreed-Upon Procedures Section



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Section 2A

Independent Accountants' Report on Applying Agreed-Upon Procedures

Mr. Larry D. Turner, Acting Inspector General
Office of Inspector General, United States Department of Labor

Mr. Christopher Godfrey, Director
Office of Workers' Compensation Programs, United States Department of Labor

We have performed the procedures enumerated in Section 2C, Agreed-Upon Procedures and Findings on the accompanying Schedules of Actuarial Liability by Agency and Net Intra-Governmental Accounts Receivable by Agency as of September 30, 2021, and the Schedule of Benefit Expense by Agency for the year then ended, of the United States (U.S.) Department of Labor (DOL) Federal Employees' Compensation Act (FECA) Special Benefit Fund (hereinafter referred to as the schedules) included in Section 2B. Management of the DOL Office of Workers' Compensation Programs (OWCP) is responsible for the schedules.

The DOL Office of Inspector General (OIG) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the Federal agencies listed in Section 2B in evaluating the accompanying schedules. This report may not be suitable for any other purpose. The DOL OWCP has agreed to and acknowledged that the procedures performed are appropriate for its purposes. No other parties have agreed to or acknowledged the appropriateness of these procedures for the intended purpose or any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. We make no representation regarding the appropriateness of the procedures either for the intended purpose or for any other purpose.

The procedures and the associated findings are presented in Section 2C of this report.

We were engaged by the DOL OIG to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards

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established by the American Institute of Certified Public Accountants, and in accordance with the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. This involves us performing the specific procedures agreed to and acknowledged in Section 2C of this report and reporting on findings based on performing those procedures. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the schedules. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the DOL OWCP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

KPMG LLP

Washington, D.C.
November 3, 2021

SECTION 2B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**I. Schedule of Actuarial Liability by Agency
As of September 30, 2021
(Dollars in Thousands)**

AGENCY	Actuarial Liability
Agency for International Development	\$26,928
Environmental Protection Agency	51,143
General Services Administration	117,778
National Aeronautics and Space Administration	29,800
National Science Foundation	1,383
Nuclear Regulatory Commission	4,129
Office of Personnel Management	8,800
United States (U.S.) Postal Service	15,808,523
Small Business Administration	30,128
Social Security Administration	273,528
Tennessee Valley Authority	327,282
U. S. Department of Agriculture	662,953
U. S. Department of the Air Force	1,155,798
U. S. Department of the Army	1,561,988
U. S. Department of Commerce	173,792
U. S. Department of Defense – other	628,789
U. S. Department of Education	13,938
U. S. Department of Energy	92,712
U. S. Department of Health and Human Services	269,342
U. S. Department of Homeland Security	2,532,178

(continued)

See accompanying Independent Accountants' Report in Section 2A and Agreed-Upon Procedures and Findings in Section 2C.

SECTION 2B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**I. Schedule of Actuarial Liability by Agency
As of September 30, 2021
(continued)
(Dollars in Thousands)**

AGENCY	Actuarial Liability
U. S. Department of Housing and Urban Development	\$61,732
U. S. Department of the Interior	571,738
U. S. Department of Justice	1,678,737
U. S. Department of Labor	167,665
U. S. Department of the Navy	1,884,128
U. S. Department of State	102,046
U. S. Department of Transportation	773,645
U. S. Department of the Treasury	565,440
U. S. Department of Veterans Affairs	2,447,453
Other Agencies	651,361
Non-Billable	3,650,931
Total	\$36,325,788

See accompanying Independent Accountants' Report in Section 2A and Agreed-Upon Procedures and Findings in Section 2C.

SECTION 2B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**II. Schedule of Net Intra-Governmental
Accounts Receivable by Agency
As of September 30, 2021
(Dollars in Thousands)**

AGENCY	Amounts Billed Not Yet Paid (1)	Amounts Expended Not Yet Billed (2)	Credits Due from Public (3)	Net Intra-Governmental Accounts Receivable (4)
Agency for International Development	\$5,779	\$731	(\$29)	\$6,481
Environmental Protection Agency	7,940	1,122	(44)	9,018
General Services Administration	17,718	2,537	(100)	20,155
National Aeronautics and Space Administration	5,026	659	(26)	5,659
National Science Foundation	358	31	(1)	388
Nuclear Regulatory Commission	819	107	(4)	922
Office of Personnel Management	1,131	147	(6)	1,272
United States Postal Service	1,325,056	360,691	(14,171)	1,671,576
Small Business Administration	5,592	584	(23)	6,153
Social Security Administration	43,585	6,118	(240)	49,463
Tennessee Valley Authority	0	7,986	(314)	7,672
U. S. Department of Agriculture	109,637	15,180	(596)	124,221
U. S. Department of the Air Force	182,036	24,990	(982)	206,044
U. S. Department of the Army	177,735	21,666	(851)	198,550
U. S. Department of Commerce	23,893	3,672	(144)	27,421

(continued)

See accompanying Independent Accountants' Report in Section 2A and Agreed-Upon Procedures and Findings in Section 2C.

1 Amount billed through June 30, 2021 (including prior years) but not yet paid as of September 30, 2021.

2 Amounts paid and accrued but not yet billed for the period July 1, 2021 through September 30, 2021.

3 Allocation of credits due from the public through September 30, 2021.

4 Total amount due to the fund for each agency as of September 30, 2021.

SECTION 2B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**II. Schedule of Net Intra-Governmental
Accounts Receivable by Agency
As of September 30, 2021
(continued)
(Dollars in Thousands)**

AGENCY	Amounts Billed Not Yet Paid (1)	Amounts Expended Not Yet Billed (2)	Credits Due from Public (3)	Net Intra-Governmental Accounts Receivable (4)
U. S. Department of Defense – other	\$155,310	\$28,854	(\$1,134)	\$183,030
U. S. Department of Education	1,707	276	(11)	1,972
U. S. Department of Energy	15,059	2,533	(100)	17,492
U. S. Department of Health and Human Services	43,294	6,100	(240)	49,154
U. S. Department of Homeland Security	410,697	63,624	(2,500)	471,821
U. S. Department of Housing and Urban Development	10,741	1,512	(59)	12,194
U. S. Department of the Interior	88,727	12,758	(501)	100,984
U. S. Department of Justice	246,267	36,216	(1,423)	281,060
U. S. Department of Labor	36,357	5,122	(201)	41,278
U. S. Department of the Navy	318,445	43,150	(1,695)	359,900
U. S. Department of State	16,847	2,463	(97)	19,213
U. S. Department of Transportation	143,788	19,826	(779)	162,835
U. S. Department of the Treasury	83,323	11,443	(450)	94,316
U. S. Department of Veterans Affairs	374,970	54,491	(2,141)	427,320
Other agencies	76,222	12,952	(508)	88,666
Total - all agencies	\$3,928,059	\$747,541	(\$29,370)	\$4,646,230

See accompanying Independent Accountants' Report in Section 2A and Agreed-Upon Procedures and Findings in Section 2C.

1 Amount billed through June 30, 2021 (including prior years) but not yet paid as of September 30, 2021.

2 Amounts paid and accrued but not yet billed for the period July 1, 2021 through September 30, 2021.

3 Allocation of credits due from public through September 30, 2021.

4 Total amount due to the fund for each agency as of September 30, 2021.

SECTION 2B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**III. Schedule of Benefit Expense by Agency
As of September 30, 2021
(Dollars in Thousands)**

AGENCY	Benefits Paid and Change in Accrued Benefits	Change in Actuarial Liability	Total Benefit Expense
Agency for International Development	\$2,700	(\$658)	\$2,042
Environmental Protection Agency	3,852	692	4,544
General Services Administration	9,293	(5,968)	3,325
National Aeronautics and Space Administration	2,389	53	2,442
National Science Foundation	253	164	417
Nuclear Regulatory Commission	377	(444)	(67)
Office of Personnel Management	526	1,682	2,208
United States Postal Service	1,261,885	63,766	1,325,651
Small Business Administration	2,861	(448)	2,413
Social Security Administration	21,684	(6,910)	14,774
Tennessee Valley Authority	28,757	(16,558)	12,199
U. S. Department of Agriculture	54,894	(15,950)	38,944
U. S. Department of the Air Force	88,996	(28,595)	60,401
U. S. Department of the Army	124,409	(31,873)	92,536
U. S. Department of Commerce	14,484	27,467	41,951
U. S. Department of Defense – other	47,016	(14,024)	32,992
U. S. Department of Education	1,111	516	1,627

(continued)

See accompanying Independent Accountants' Report in Section 2A and Agreed-Upon Procedures and Findings in Section 2C.

SECTION 2B

**U.S. Department of Labor
Office of Workers' Compensation Programs
Federal Employees' Compensation Act Special Benefit Fund**

**III. Schedule of Benefit Expense by Agency, continued
As of September 30, 2021
(continued)
(Dollars in Thousands)**

AGENCY	Benefits Paid and Change in Accrued Benefits	Change in Actuarial Liability	Total Benefit Expense
U. S. Department of Energy	\$8,187	(\$6,785)	\$1,402
U. S. Department of Health and Human Services	21,105	(14,052)	7,053
U.S. Department of Homeland Security	213,929	37,242	251,171
U. S. Department of Housing and Urban Development	5,340	(4,064)	1,276
U. S. Department of the Interior	43,552	(3,285)	40,267
U. S. Department of Justice	125,631	25,456	151,087
U. S. Department of Labor	15,191	(4,467)	10,724
U. S. Department of the Navy	156,220	(32,430)	123,790
U. S. Department of State	8,296	4,389	12,685
U. S. Department of Transportation	70,435	(16,129)	54,306
U. S. Department of the Treasury	41,616	(7,317)	34,299
U. S. Department of Veterans Affairs	188,336	(16,528)	171,808
Other agencies and non-billable	388,061	550,259	938,320
Total - all agencies	\$2,951,386	\$485,201	\$3,436,587

See accompanying Independent Accountants' Report in Section 2A and Agreed-Upon Procedures and Findings in Section 2C.

SECTION 2C

Agreed-Upon Procedures and Findings

I. Actuarial Liability

Agreed Upon Procedures Performed	Findings
1) Compared the actuarial liability, by agency, as of September 30, 2021, as reported in the <i>Memorandum to the Chief Financial Officers (CFO) of Executive Departments</i> , issued by the Department of Labor's (DOL) Office of the Chief Financial Officer (OCFO), to the liability calculated by the DOL Case Reserve ¹ actuarial model (DOL model) as of September 30, 2021 and reported any differences.	No differences were noted as a result of applying this procedure.

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

¹ The DOL model uses historical benefit payment data with specific claimants' characteristics to project the future indemnity and medical benefits by claim, by agency, and in total.

SECTION 2C

Agreed-Upon Procedures and Findings

I. Actuarial Liability, continued

Agreed Upon Procedures Performed	Findings
<p>2) Recalculated the actuarial liability as of September 30, 2021, using the DOL model, and compared it to the liability calculated by DOL in its DOL model as of September 30, 2021. For any identified difference(s), identified if DOL corrected the difference(s) in its final DOL model by agreeing (a) KPMG's recalculated actuarial liability as of September 30, 2021, using the final DOL model, to (b) the actuarial liability reported in the <i>Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund</i>. Reported any differences identified and any differences corrected by DOL.</p>	<p>No differences were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

I. Actuarial Liability, continued

Agreed Upon Procedures Performed	Findings															
<p>3) Compared the average interest rate and average inflation rate (Cost of Living Adjustment (COLA) and Consumer Price Index – Medical (CPI-Med)) assumptions used in the DOL model as of September 30, 2020, to the average interest rate and average inflation rate (COLA and CPI Med) assumptions used in the DOL model as of September 30, 2021 and reported any differences.</p>	<p>The average interest rate and inflation rate differences are as follows:</p> <table border="1" data-bbox="852 653 1464 989"> <thead> <tr> <th data-bbox="852 653 1089 764">Average Rate</th> <th data-bbox="1089 653 1247 764">2021 Rate</th> <th data-bbox="1247 653 1464 764">Differences - Increase/ (Decrease)</th> </tr> </thead> <tbody> <tr> <td data-bbox="852 764 1089 837">Interest – compensation</td> <td data-bbox="1089 764 1247 837">2.23%</td> <td data-bbox="1247 764 1464 837">(0.18%)</td> </tr> <tr> <td data-bbox="852 837 1089 911">Interest – medical</td> <td data-bbox="1089 837 1247 911">2.06%</td> <td data-bbox="1247 837 1464 911">(0.24%)</td> </tr> <tr> <td data-bbox="852 911 1089 947">COLA</td> <td data-bbox="1089 911 1247 947">2.66%</td> <td data-bbox="1247 911 1464 947">0.38%</td> </tr> <tr> <td data-bbox="852 947 1089 989">CPI-Med</td> <td data-bbox="1089 947 1247 989">3.73%</td> <td data-bbox="1247 947 1464 989">(0.16%)</td> </tr> </tbody> </table>	Average Rate	2021 Rate	Differences - Increase/ (Decrease)	Interest – compensation	2.23%	(0.18%)	Interest – medical	2.06%	(0.24%)	COLA	2.66%	0.38%	CPI-Med	3.73%	(0.16%)
Average Rate	2021 Rate	Differences - Increase/ (Decrease)														
Interest – compensation	2.23%	(0.18%)														
Interest – medical	2.06%	(0.24%)														
COLA	2.66%	0.38%														
CPI-Med	3.73%	(0.16%)														
<p>4) Compared the interest rate (used to derive the discount rate) and inflation rate (COLA and CPI-Med) assumptions used in the DOL model as of September 30, 2021, to the source documentation of the interest rates and inflation rates (COLA and CPI-Med) selected by DOL and reported any differences.</p>	<p>No differences were noted as a result of applying this procedure.</p>															

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

I. Actuarial Liability, continued

Agreed Upon Procedures Performed	Findings
5) Compared the benefit payments, by agency, for the chargeback year ended June 30, 2021 used in the DOL model, with the benefit payments, by agency, for the chargeback year ended June 30, 2021, as reported in the <i>Chargeback Agency Billing List Summary</i> and reported any differences.	No differences were noted as a result of applying this procedure.

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

I. Actuarial Liability, continued

Agreed Upon Procedures Performed	Findings
<p>6) For a selection of 15 claimants included in the listing of benefit payments for the chargeback year ended June 30, 2021, used in the DOL model as of September 30, 2021 (2021 underlying data), performed the following procedures:</p> <p>a) Compared the agency code, date of birth, date of injury, date of death, injury zip code, and anatomical location, used in the 2021 underlying data to the agency code, date of injury, date of birth, date of death, injury zip code, and anatomical location in the listing of benefit payments for the chargeback year ended June 30, 2020 used in the DOL model as of September 30, 2020 (2020 underlying data).</p>	<p>No differences were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

I. Actuarial Liability, continued

Agreed Upon Procedures Performed	Findings
<p>b) For any claimants not found in the 2020 underlying data or differences identified in claimants' information between the 2021 underlying data and the 2020 underlying data, agreed the agency code, date of injury, date of birth, date of death, injury zip code, and anatomical location from the 2021 underlying data to the agency code, date of injury, date of birth, date of death, injury zip code, and anatomical location from applicable Forms CA-1, <i>Federal Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation</i>, CA-2, <i>Notice of Occupational Disease and Claim for Compensation</i>, CA-5, <i>Claim for Compensation by Widow, Widower, or Children</i>, CA-6, <i>Official Supervisor's Report for Employee's Death</i>, CA-7, <i>Claim for Compensation</i>, or CA-1032, <i>Request for Information on Earnings, Dual Benefits, Dependents, and Third Party Settlements</i>, and reported any differences in claimants' information.</p>	

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

II. Net Intra-governmental Accounts Receivable

Agreed Upon Procedures Performed	Findings
<p>7) For a selection of 21 federal agencies, obtained a list of appropriate representatives from the Office of Workers' Compensation Programs (OWCP), and sent letters to confirm the total accounts receivable balances due per the bills sent to the agencies, for the chargeback year July 1, 2020, through June 30, 2021. Compared the confirmed accounts receivable balances, less any pre-payments received prior to September 30, 2021, to the billed and due in FY 2022 and FY 2023 amounts reported by the OCFO in the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report as of September 30, 2021, posted on the DOL website, and reported any differences and any confirmations not received.</p>	<p>We received all confirmations and no differences were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

II. Net Intra-governmental Accounts Receivable, continued

Agreed Upon Procedures Performed	Findings
<p>8) Recalculated the September 30, 2021, net intra-governmental accounts receivable balances for each agency by:</p> <ul style="list-style-type: none"> a) adding the bills sent to federal agencies for the chargeback year July 1, 2020 through June 30, 2021 to the prior-year ending balance from the <i>Special Report Relating to the FECA Special Benefit Fund</i> as of September 30, 2020; b) subtracting the current year's cash collections as reported by the OCFO on the Central Accounting and Reporting System (CARS) Intragovernmental Payment and Collection (IPAC) supporting listing and collection voucher support listing reports; c) adding the change in the fourth quarter unbilled accounts receivable from FY 2020; and d) subtracting the FY 2021 credits due from the public reported in the detailed subsidiary ledger. <p>Compared the recalculated September 30, 2021, net intra-governmental accounts receivable balances for each agency to the FY 2021 amount reported in the detailed subsidiary ledger and reported any differences exceeding 1 percent of the balances reported in the detailed subsidiary ledger.</p>	<p>No differences exceeding 1 percent of the balances reported in the detailed subsidiary ledger were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

II. Net Intra-governmental Accounts Receivable, continued

Agreed Upon Procedures Performed	Findings
<p>9) Compared the total recalculated September 30, 2021, net intra-governmental accounts receivable balance to the September 30, 2021, net intra-governmental accounts receivable balance reported in the general ledger and reported any differences exceeding 1 percent of the balance reported in the general ledger.</p>	<p>No differences exceeding 1 percent of the balance reported in the general ledger were noted as a result of applying this procedure.</p>
<p>10) Compared the recalculated September 30, 2021, net intra-governmental accounts receivable balance for each agency to the balances reported by the OCFO in the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report as of September 30, 2021, and reported any differences exceeding 1 percent of the balances reported by the OCFO in the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report.</p>	<p>No differences exceeding 1 percent of the balances reported by the OCFO in the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

II. Net Intra-governmental Accounts Receivable, continued

Agreed Upon Procedures Performed	Findings
<p>11) Compared the total amount on the <i>Chargeback Agency Billing List Summary</i> for the period of July 1, 2020, through June 30, 2021, for each agency, less the chargeback amounts coded as non-billable, to the Total Benefit Costs line on the bill sent to the agency for the chargeback year ended June 30, 2021, and reported any differences.</p>	<p>No differences were noted as a result of applying this procedure.</p>
<p>12) Compared accrued benefits as of September 30, 2021, recorded on the <i>OCFO Liability for Current Federal Employees' Compensation Act Benefits</i> report, to the accrual calculation worksheet prepared by DOL as of September 30, 2021, and reported any differences.</p>	<p>No differences were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

II. Net Intra-governmental Accounts Receivable, continued

Agreed Upon Procedures Performed	Findings
<p>13) Recalculated the allocation of accrued benefits for each agency as of September 30, 2021, as the ratio between the amount reported for the agency per the chargeback period Ending September 30, 2021, column presented in the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report as of September 30, 2021, and the total for all agencies reported in that column. Multiplied the agency's ratio by total accrued benefits presented on the accrual calculation worksheet prepared by DOL. Compared the allocation of accrued benefits for each agency to the allocation of accrued benefits recorded on the OCFO's <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report as of September 30, 2021, and reported any differences.</p>	<p>No differences were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

II. Net Intra-governmental Accounts Receivable, continued

Agreed Upon Procedures Performed	Findings
14) Compared the amount per the chargeback period Ending September 30, 2021, column presented in the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report as of September 30, 2021, to the FY 2021 fourth quarter benefit payments reported on the <i>Chargeback Agency Billing List Summary</i> , less the chargeback amounts coded as non-billable and reported any differences.	No differences were noted as a result of applying this procedure.

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense

Agreed Upon Procedures Performed	Findings
15) Compared the total of: 1) benefit payments recorded in the Integrated Federal Employees Compensation System (iFECS); 2) benefit payments recorded in the Workers' Compensation Medical Bill Process (WCMBP) auto roll payment database; and 3) manual payments recorded in the general ledger for the months of March 31, 2021, and September 30, 2021, to the gross disbursements (which relate to benefit payments) reported in Treasury's CARS Government-Wide Accounting and Reporting (GWA) Account Statement for the Agency Location Codes (ALCs) assigned to FECA, for the same two months and reported any differences exceeding 1 percent.	No differences exceeding 1 percent were noted as a result of applying this procedure.

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings						
<p>16) Calculated the difference between the total benefit payments per the <i>Chargeback Agency Billing List Summary</i> and the total benefit payments per the iFECs and WCMBP databases for each agency, as reported in the <i>Chargeback Reconciliation Reports</i> prepared by OWCP for the periods October 1, 2020, through June 30, 2021, and July 1, 2021, through September 30, 2021, and then divided the difference by the total benefit payments per the <i>Chargeback Agency Billing List Summary</i> and reported differences for any agency exceeding 1 percent of the amounts in the <i>Chargeback Agency Billing List Summary</i>.</p>	<p>As a result of applying this procedure, we identified the following agency that had a difference exceeding 1 percent of the amounts in the Chargeback Agency Billing List Summary:</p> <table border="1" data-bbox="862 764 1484 884"> <thead> <tr> <th data-bbox="862 764 1019 842">Agency</th> <th data-bbox="1019 764 1247 842">Difference (\$)</th> <th data-bbox="1247 764 1484 842">Difference (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="862 842 1019 884">EDU</td> <td data-bbox="1019 842 1247 884">(\$404,695)</td> <td data-bbox="1247 842 1484 884">(36.7%)</td> </tr> </tbody> </table>	Agency	Difference (\$)	Difference (%)	EDU	(\$404,695)	(36.7%)
Agency	Difference (\$)	Difference (%)					
EDU	(\$404,695)	(36.7%)					

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings
<p>17) For the Chargeback Reconciliation Reports for the periods October 1, 2020, through June 30, 2021, and July 1, 2021, through September 30, 2021:</p> <p>a) Compared the total benefit payments in the <i>Chargeback Agency Billing List Summary</i> reported in the reconciliation to the actual <i>Chargeback Agency Billing List Summary</i> and identified and reported any differences exceeding 1 percent of the actual <i>Chargeback Agency Billing List Summary</i>.</p> <p>b) Compared the total benefit payments from the iFECS and WCMBP databases reported in the reconciliation to the actual iFECS and WCMBP databases and identified and reported any differences exceeding 1 percent of the actual iFECS and WCMBP databases.</p>	<p>No differences exceeding 1 percent were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings																		
<p>18) For all agencies, compared compensation and medical bill payments by agency for the fiscal year ended September 30, 2021, from the <i>Chargeback Agency Billing List Summary</i> prepared by DOL, to the compensation and medical bill payments by agency reported for the fiscal year ended September 30, 2020, from the <i>Chargeback Agency Billing List Summary</i> prepared by DOL and reported any differences over 10 percent of the amount reported in the <i>Chargeback Agency Billing List Summary</i> as of September 30, 2020.</p>	<p>As a result of applying this procedure, we identified the following agencies that had differences over 10 percent of the amount reported in the <i>Chargeback Agency Billing List Summary</i> as of September 30, 2021:</p> <table border="1" data-bbox="982 766 1372 1123"> <thead> <tr> <th>Agency</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>CNS</td> <td>16.33%</td> </tr> <tr> <td>DOC</td> <td>27.23%</td> </tr> <tr> <td>EDU</td> <td>54.37%</td> </tr> <tr> <td>GSA</td> <td>12.42%</td> </tr> <tr> <td>NSF</td> <td>165.97%</td> </tr> <tr> <td>NRC</td> <td>(14.26%)</td> </tr> <tr> <td>OPM</td> <td>31.18%</td> </tr> <tr> <td>SBA</td> <td>23.16%</td> </tr> </tbody> </table>	Agency	Difference	CNS	16.33%	DOC	27.23%	EDU	54.37%	GSA	12.42%	NSF	165.97%	NRC	(14.26%)	OPM	31.18%	SBA	23.16%
Agency	Difference																		
CNS	16.33%																		
DOC	27.23%																		
EDU	54.37%																		
GSA	12.42%																		
NSF	165.97%																		
NRC	(14.26%)																		
OPM	31.18%																		
SBA	23.16%																		

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings
<p>19) For a selection of 81 compensation payments made for initially eligible claimants during the fiscal year ended September 30, 2021, compared beneficiary name, beneficiary social security number (SSN), date of birth, pay rate or grade/step at the time of injury, date of injury or date disability began, dependent information, and employing agency from the applicable Forms CA-1, <i>Federal Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation</i>, CA-2, <i>Notice of Occupational Disease and Claim for Compensation</i>, CA-5, <i>Claim for Compensation by Widow, Widower, or Children</i>, CA-6, <i>Official Supervisor's Report for Employee's Death</i>, CA-7 <i>Claim for Compensation</i>, and supporting agency wage details to the beneficiary name, beneficiary SSN, date of birth, pay rate or grade/step at the time of injury, date of injury or date disability began, dependent information, and chargeback code in the iFECS database, and reported any differences.</p>	<p>No differences were noted as a result of applying this procedure.</p>

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings
20) For a selection of 81 compensation payments made for initially eligible claimants during the fiscal year ended September 30, 2021, recalculated the compensation pay rate and benefit amount in accordance with chapter 2-0900 of the FECA Procedure Manual. Compared the recalculated compensation pay rate and benefit amount to the compensation pay rate and benefit amount in the iFECs database and reported any differences.	No differences were noted as a result of applying this procedure.

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings
21) For a selection of 81 compensation payments made during the fiscal year ended September 30, 2021 for continuing eligibility and file maintenance, compared the related beneficiaries' name, SSN, date of injury or date disability began, and dependent information from applicable Forms CA-7, <i>Claim for Compensation</i> , and CA-1032, <i>Request for Information on Earnings, Dual Benefits, Dependents, and Third Party Settlements</i> to the beneficiaries' name, SSN, date of injury or date disability began, and dependent information in the iFECs database and reported any differences in claimants' information.	No differences were noted as a result of applying this procedure.

(continued)

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

SECTION 2C

Agreed-Upon Procedures and Findings

III. Benefit Expense, continued

Agreed Upon Procedures Performed	Findings
<p>22) For a selection of 65 medical payments made during the fiscal year ended September 30, 2021, compared the vendor name and date from the medical bill, and payment amount on the summary sheet from the Achieve/WCMBP system to the vendor name, payment amount and date in the iFECS database and reported any differences.</p>	<p>No differences were noted as a result of applying this procedure.</p>
<p>23) Compared the FY 2021 fourth quarter benefit expense estimate as reported on the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> report to the sum of the actual FY 2021 fourth quarter benefit expenses recorded in the iFECS and WCMBP databases and reported any differences.</p>	<p>As a result of applying this procedure, we identified a difference of \$24,570 between the FY 2021 fourth quarter benefit expense estimate as reported on the <i>Liability for Current Federal Employees' Compensation Act Benefits</i> and the FY 2021 benefit expenses recorded in the iFECS and WCMBP databases.</p>

See accompanying Independent Accountants' Report in Section 2A and schedules in Section 2B.

Appendix

ACRONYMS and ABBREVIATIONS

ALC	Agency Location Code
CARS	Central Accounting Reporting System
CFO Act	Chief Financial Officers Act
CNS	Corporation for National and Community Service
COLA	Cost-of-Living Adjustment
CPI-Med	Consumer Price Index for Medical
DOC	Department of Commerce
DOL	U.S. Department of Labor
EDU	Department of Education
FY	Fiscal Year
GSA	U.S. General Services Administration
GWA	Government-Wide Accounting and Reporting
iFECS	Integrated Federal Employees' Compensation System
IPAC	Intragovernmental Payment and Collection
NRC	Nuclear Regulatory Commission
NSF	National Science Foundation
OCFO	Office of the Chief Financial Officer
OPM	Office of Personnel Management
OWCP	Office of Workers' Compensation Programs
SBA	Small Business Administration
SSN	Social Security Number
USPS	U.S. Postal Service
WHCA	War Hazards Compensation Act
WCMBP	Workers' Compensation Medical Bill Process

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