



OFFICE OF INSPECTOR GENERAL

JUNE 25, 2018

Follow-up Evaluation of Audit of the Architect of the Capitol Compliance with Federal Workers' Compensation Act Program

Evaluation Report 2018-0006-IE-R

MISSION

The OIG promotes efficiency and effectiveness to deter and prevent fraud, waste and mismanagement in AOC operations and programs. Through value added, transparent and independent audits, evaluations and investigations, we strive to positively affect the AOC and benefit the taxpayer while keeping the AOC and Congress fully informed.

VISION

The OIG is a high-performing team, promoting positive change and striving for continuous improvement in AOC management and operations. We foster an environment that inspires AOC workforce trust and confidence in our work.



Results in Brief

Follow-up Evaluation of Audit of the Architect of the Capitol Compliance with Federal Workers' Compensation Act Program

June 25, 2018

Objectives

Our objectives were to follow up on the corrective actions taken by the Architect of the Capitol (AOC) to determine if they:

- Were implemented as stated in their Notice of Final Action (NFA) responses to improve monitoring of cases to reduce costs to the AOC [Recommendation 1]; annual chargeback reports need additional review [Recommendation 2]; and Return to Work program for injured workers needs strengthening [Recommendation 4]; and
- Fully addressed the audit report recommendations 1, 2 and 4.

Findings

Based on our follow-up evaluation, we found that the AOC Workers Compensation Program Unit (WCPU):

- Did not fully address the requirements of the recommendations and associated NFA responses selected for this review.

Recommendations

We recommend:

- The WCPU implement an electronic case tracking system and upload all reported cases from recent AOC Department of Labor (DOL) chargeback reports; and document and retain records of all reviews conducted.
- The Human Capital Management Division (HCMD) update written guidance for Return to Work/Modified Work Assignment actions to strengthen requirements for developing and implementing these assignments.
- AOC explore assigning DOL Office of Workers' Compensation Program costs to jurisdictions rather than to AOC general funds – this would hold jurisdictions accountable for developing and implementing Modified and Return to Work assignments.

Management Comments

AOC concurred with the findings and recommendations and provided comments. Please see the recommendations table on the next page for the status of recommendations.

Recommendations Table

Responsible Entity	Recommendation Resolved	Recommendation Unresolved	Recommendations Closed
Human Capital Management Division	A-1, A-2, C-1, C-2	None	B-1

Note: The following categories are used to describe agency management's comments to individual recommendations.

- **Unresolved** - Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** - Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – The Office of Inspector General (OIG) verified that the agreed upon corrective actions were implemented.



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INSPECTOR GENERAL

DATE: June 25, 2018

TO: The Honorable Stephen T. Ayers, FAIA, LEED AP,
Architect of the Capitol

FROM: Christopher P. Failla *C. Failla*
Inspector General

SUBJECT: Follow-up Evaluation of Audit of the Architect of the Capitol
Compliance with Federal Workers' Compensation Act Program
(Project No. 2018-0002-AUD-R)

This memorandum transmits the final Follow-up Evaluation Report 2018-0006-IE-R, which was announced on November 27, 2017. This evaluation report includes five recommendations for improvements to the Architect of the Capitol's (AOC) compliance with the Federal Employee Compensation Act (FECA) program. We found that although guidance and processes for implementing FECA program components had been revised and improved, the AOC still needed to strengthen its processes for creating and implementing Return to Work and Modified Work Assignment programs.

We considered the AOC's comments on the draft of this report when preparing the final report. The management comments addressed all specifics of the recommendations. We have no further comments at this time.

We appreciate the assistance of AOC personnel during this evaluation. If you have any questions or wish to discuss the report, please contact Audrey Cree, Management and Program Analyst, at 202.593.1941 or acree@aoc.gov or Melinda M. Miguel, Deputy Inspector General, at 202.593.2976 or Melinda.Miguel@aoc.gov.

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Introduction

Objective

The objectives were to follow up on the corrective actions taken by AOC to determine if they:

Were implemented as stated in their NFA responses to recommendations 1, 2 and 4 of Audit Report A-2010-05, *Audit of AOC Compliance with the Federal Workers' Compensation Act Program*, June 8, 2010; and

Fully address the audit report recommendations 1, 2 and 4.

Background

The Federal Employees' Compensation Act (FECA) (5 United States Code (USC) Section 8101, et seq.) provides, in specific circumstances, for the payment of compensation by the United States for the disability or death of an employee resulting from personal injury sustained while in the performance of duty (5 U.S.C. §8102(a)). The FECA provides for payment of several types of benefits, including compensation for wage loss, medical and related benefits, and vocational rehabilitation services for conditions resulting from injuries sustained in performance of duty while in service to the United States (20 C.F.R. §10.0(b)). The FECA also provides for payment of monetary compensation to specified survivors of an employee whose death resulted from a work-related injury (FECA Regulations at 20 C.F.R. §10.0(c)). The FECA is administered by the DOL Office of Workers' Compensation Programs.

The DOL has established guidelines for a limited duty program in Publication CA-810 Injury Compensation for Federal Employees.¹ The guidelines require federal employees with workplace injuries or illnesses to accept "light or limited duty assignments" to encourage work in a capacity that accommodates the injury or illness. When employees are injured temporarily, but permitted to work in a limited capacity as determined by their physician, an agency should assign duties that conform to those medical restrictions and allow the employee to return to work as soon as possible. In response to this DOL program, the AOC issued AOC Order 810 dated March 30, 2012, "Modified Work Assignment and Return to Work Programs Policy," which describes how these programs should be administered throughout the AOC.

¹ United States Department of Labor, Revised 2009, Injury Compensation for Federal Employees, Publication CA-810, Chapter 9-5.

The AOC FECA Program is managed by the WCPU under the direction of the HCMD Employee Relations Branch. The WCPU is responsible for (i) processing and submitting claims, (ii) reviewing quarterly and annual reports from DOL and initiating correction of chargeback errors, (iii) managing the AOC Return to Work and Modified Work Assignment programs, (iv) arranging FECA training for supervisors and field coordinators, and (v) providing guidance to all AOC employees.

The FECA program is financed by the Employees' Compensation Fund that consists of funds appropriated by Congress or contributed by certain agencies from operating revenues. The chargeback system is the mechanism by which the costs of compensation for work-related injuries and deaths are assigned to employing agencies annually at the end of the fiscal accounting period that runs from July to June for this purpose. Each August, DOL sends participating agencies, including the AOC, a "chargeback report" itemizing the previous year's expenditures for each injured worker or survivor that received compensation and/or medical care through FECA. The DOL also sends this report to participating agencies on a quarterly basis (October, January, April and July). The AOC is responsible for reimbursement of this annual cost, with the WCPU responsible for annual and quarterly review of these charges, and for initiating chargeback correction procedures with the DOL in instances of incorrect charges. The AOC's annual FECA chargeback costs, as reported by the DOL for the time period under review, are as follows:

FECA FY	COST
2013	\$4,428,782
2014	\$4,464,764
2015	\$4,391,753
2016	\$4,131,997

Source: AOC WCPU as reported by AOC Office of Chief Financial Officer

On June 8, 2010, the OIG issued a report of the AOC's compliance with certain aspects of the FECA Program to include the monitoring, review, and correction of chargeback reports. Specifically, the objectives of the audit were to 1) determine the effectiveness of program policies and procedures, 2) determine whether internal controls were adequate and effective, and 3) evaluate the timeliness of claims.

The audit found that AOC personnel were not fully complying with Agency orders related to the FECA Program: i) injured workers' cases were not systemically monitored; (ii) opportunities for FECA cost savings were missed; and, (iii) statutory deadlines for submitting claims were not met. The audit resulted in recommendations to increase oversight of the program.

On May 17, 2010, the AOC agreed with the audit report's findings and recommendations. In their NFAs, AOC management provided actions they would take to address the audit recommendations.

Since the performance of Audit 2010-05, the WCPU experienced turnover (three different employees in total for two positions) in the position of its primary caseworker and in its support worker position. This turnover resulted in significant changes to processes pertaining to FECA compliance, and also hampered the OIG's ability to evaluate AOC's implementation of the stated corrective actions.

During this follow-up, we evaluated the AOC's responses to three of the prior recommendations as reported in the NFA.² We selected DOL fiscal years ending 2013 through 2016 as our period of review.

Review of Internal Controls

We evaluated the AOC WCPU's internal processes for review of DOL Chargeback Reports and the methods for processing Return to Work and Modified Work Assignment program components. We conducted interviews with key HCMD personnel responsible for FECA processing, and with other key agency personnel involved in communicating FECA data to AOC senior leadership. We obtained source documents to verify the reviews conducted by WCPU, and also contacted the AOC organizational unit with the highest injury claims to review the Return to Work and Modified Work Assignment processes.

Criteria

The following criteria were used during this evaluation:

OIG Audit Report A-2010-05, *Audit of AOC Compliance with the Federal Workers' Compensation Act Program*, June 8, 2010:

Recommendation 1: AOC institute closer monitoring of all costs related to FECA, including at least quarterly reviews of charges from DOL; follow-up with DOL on questionable costs; and coordinate with DOL to ensure the correct cost status.

Recommendation 2: AOC determine an adequate level of management review for each quarterly and annual chargeback report on the FECA Program, including analysis of organization costs. Each review should be at such a level to meet minimum internal control standards and should be documented in HCMD policy.

Recommendation 4: AOC fully implement the Limited Duty Program as set forth in the AOC Human Resources Manual, Chapter 810A, requiring AOC coordination and

² Our decision to conduct follow-up on three of the seven recommendations from the original audit report was based on materiality; the three chosen for review have the most direct impact on the AOC's ability to control costs for its FECA program. We also chose to review three of the recommendations due to lack of resources within the OIG and the overlapping effects of some recommendations (three of the recommendations relate to chargeback report reviews).

partnership between organizations; and ensure that appropriate light duty assignment lists are current and available to all organizational units.

AOC Notice of Final Agency Action – A-2010-05, *AOC Compliance with the Federal Workers' Compensation Act Program*, May 13, 2011:

Final Agency Action: In August 2009, the AOC WCPU developed a process to thoroughly review all chargeback reports received from the DOL to ensure accuracy. In the event that there is a questionable cost, the DOL is contacted to facilitate adjustments. To date, all charges received have been thoroughly reviewed and have been found to be accurate. There has been continuous review and contact with the DOL to correct the status of cases, when appropriate (e.g., daily rolls, periodic rolls, etc.).

Final Agency Action: The WCPU has developed a written process that includes a 100% review of quarterly and yearly chargeback reports from the DOL by the Program Manager and/or Employee Relations Branch Chief. Compensation costs by jurisdiction are communicated to the jurisdiction heads from the quarterly Safety, Health, Environmental Council meetings and will periodically be included in the Chief Administrative Officer (CAO) Dashboard.

AOC NFA – A-2010-05, *Architect of the Capitol (AOC) Compliance with the Federal Workers' Compensation Act Program*, March 30, 2012:

Full Agency Action: Chapter 810 of the Human Resources Manual has been revised to implement the Modified Work Assignment and Return to Work Programs. These programs are intended to assist injured workers during the recovery process by creating modified work assignments for employees who are temporarily disabled; and to identify and offer return to work positions (which may be modified) when medical evidence supports permanent work restrictions for injured workers.

AOC Order 810 Modified Work Assignment and Return to Work Programs, March 30, 2012.

This policy delineates the various responsibilities and procedures for utilizing the Modified Work Assignment and Return to Work Programs following a job-related injury or illness. Under the provisions of the Modified Work Assignment Program, when an AOC employee is temporarily unable to perform his/her primary work responsibilities due to temporary work-related medical restrictions, the program allows the employee an opportunity to contribute to the agency mission by performing duties that are within the employee's medical restrictions.

AOC's Standard Operating Procedure (SOP) Review and Reconciliation of Office of Workers' Compensation Programs Chargeback Billing List Detail

The purpose of this SOP is to establish procedures for reviewing and reconciling the DOL's Office of Workers Compensation Programs Chargeback Billing List Detail and the AOC's workers' compensation records.

AOC Standard Operating Procedure Return to Work Program

The purpose of the SOP is to establish the Agency's procedures for reemploying injured workers and to provide an overview of the rights and responsibilities of AOC employees who come under the provisions of FECA.

Finding A

Monitoring and Recordkeeping Systems in AOC WCPU Need Improvement

We were unable to verify, for the time period we reviewed, that the AOC WCPU performed reviews of quarterly and yearly DOL chargeback reports, and that there had been ongoing review and contact with the DOL to correct the status of cases, when appropriate.

We confirmed that the WCPU had developed written guidance (SOP Review and Reconciliation of Office of Workers' Compensation Programs Chargeback Billing List Detail) for review of chargeback reports and follow-up with the DOL, but WCPU could not provide records, for the time period reviewed, to support that they had been conducting ongoing reviews of the DOL chargeback reports and contacting the DOL for adjustments when appropriate. Additionally, we found that the WCPU lacked a database to track their case reviews. However, in recent months, they have begun development of an electronic record-keeping system that will enable the verification of ongoing reviews and allow for centralized documentation of their follow up with the DOL. The lack of documentation to support that the WCPU had conducted ongoing reviews did not allow us to verify compliance with the prior audit recommendation to conduct ongoing case reviews.

WCPU Monitoring of FECA Costs

Since the performance of Audit 2010-05, the WCPU experienced turnover (three different employees in total for its two positions) in the position of its primary employee, and in its support worker position. The AOC had also cancelled its contract with its human resources workforce management vendor, and in accordance with the contract terms was not entitled to keep the data module that contained case review records. These two factors impeded the OIG's efforts to verify that WCPU had performed ongoing reviews of DOL chargeback reports and contacted the DOL for adjustments when appropriate. Monitoring of FECA cases is heavily reliant on ongoing case file reviews that are properly documented, with documented follow-up with the DOL to ensure chargeback costs to the AOC are accurate. While these monitoring steps may have been taken and documented, records providing evidence of review were not available.

Interviews with the WCPU staff revealed the November 2017 hiring of a former DOL employee into the primary FECA case worker position. That employee was in the process of developing new AOC FECA monitoring procedures based on her knowledge of DOL requirements and best practices for oversight of FECA eligibility and payment. These revisions should assist in ensuring the steps required to monitor open FECA cases are effective.

Additional interviews with WCPU staff revealed that they are currently performing a complete review of all AOC FECA cases based on a list of 1,530 items going back to open cases since 2004. Their review consists of verifying recipients were paid appropriately and no recipients continue to receive payments if no longer eligible. The WCPU staff also stated they were implementing ongoing reviews of their procedures. The primary FECA case worker is also developing a log of cases she has reviewed and comparing every case from the fourth quarter of 2017 through the first quarter of 2018. WCPU is also developing a case tracking system and has identified an open-market vendor product that will address their processing needs. The WCPU staff are in the process of uploading hardcopy files into SharePoint so they can upload them into that product once it is in place.

Follow-up with DOL on Questionable Costs and Coordination with DOL to Ensure Correct Cost Status

In interviews, the WCPU staff described their DOL follow-up processes for questionable costs. These included reviewing reported employee physical restrictions and whether or not the restrictions prohibited the injured employee from coming back to work, and review of employee signed attestations stating whether or not they were receiving other government benefits, which could affect their FECA payments. The WCPU provided an example in which they had found that although the employee had divorced, there had been no decrease in FECA payment, as required (OMB No. 1240-0016). The WCPU provided a copy of the letter of overpayment they sent to the DOL as an example of their follow-up procedures.

Interviews with WCPU staff revealed that case reviews and cost corrections are slowed by a DOL five-case limit on how many can be accessed at one time. The WCPU reported that cost correction requests to the DOL are performed via letter submissions, and that WCPU processes for follow-up of these are manual because without a database, there is no electronic automatic reminder for tracking these.

In their May 13, 2011 NFA the AOC provided written guidance developed by WCPU (SOP Review and Reconciliation of Office of Workers' Compensation Programs Chargeback Billing List Detail) for review of chargeback reports and contact with the DOL to ensure accuracy and adjustments when necessary. However, we were unable to verify if these reviews were conducted, follow-up was done, and appropriate corrections made, and we also found that WCPU staff did not consult the SOP and

considered it outdated. Since the 2011 NFA was issued, the WCPU experienced turnover in the position of its primary FECA and support employees; therefore, WCPU could not provide records to support that the AOC had been continuously and thoroughly reviewing chargeback reports and contacting the DOL for adjustments. Furthermore, the above-discussed lack of a database for FECA cases and lack of accessible electronic records left us unable to verify that the WCPU had implemented ongoing and thorough monitoring of all costs related to FECA, including quarterly reviews of charges from the DOL and follow-up on questionable costs.

Conclusion

Although the WCPU developed written procedures directing documentation of case reviews, since the NFA was issued, staff did not have available documentation to support the ongoing review and monitoring of chargeback reports or that appropriate follow up was taken on questionable costs for the period of our review. However, the WCPU recently hired a new primary support staffer who is revising FECA eligibility and payment review processes. The WCPU is also performing a complete review of all AOC FECA cases to verify recipients were paid appropriately and none are continuing to receive payments for which they are no longer eligible. In addition, the WCPU is in the process of contracting with a vendor for a case tracking system.

Recommendation A

A-1. We recommend that the WCPU's new case tracking system centralizes all cases reported on the most recent AOC DOL chargeback reports, and that it include reminders on open items, comparison of approved injuries to medical expenses, and tracking of case review for potential Return to Work opportunities. AOC should also ensure that the system retains records of all reviews conducted, including contacts and coordination with DOL regarding questionable costs.

A-2. We recommend that the WCPU update their written procedures to reflect current practices.

Management Comments on the Finding and Our Response

AOC Comments on A-1: Concur. The Human Capital Management Division (HCMD) has identified a possible vendor to assist with workers' compensation case management. The Library of Congress has used this vendor for their workers' compensation case management needs. HCMD has received a demonstration of the case management system and believes it will satisfy our needs. We are awaiting approval from the Information Technology Division (ITD) before moving forward with the acquisition process.

Our Response: We reviewed management comments and determined they address the finding and recommendations.

AOC Comments on A-2: Concur. Minor revisions are needed to the AOC Order 810-1, Workers' Compensation Policy dated September 25, 2015. The policy will be completed pending changes that may come as a result of on-going process improvement efforts between Safety, Fire and Environmental Programs (Safety Investigations) and HCMD, Office of Workers' Compensation Program (OWCP). Upon completion of this effort, HCMD will initiate the draft for comment from AOC jurisdictions. HCMD/OWCP will also update the Workers' Compensation Standard Operating Procedure (SOP) and develop a Workers' Compensation Chargeback SOP. The anticipated completion date for the SOP's is late fall 2018.

Our Response: We reviewed management comments and determined they address the finding and recommendations.

Finding B

Communication of FECA Costs to Senior Leadership Needs Improvement

At the time of Audit A-2010-05, DOL chargeback costs were communicated to AOC organizational unit heads at quarterly meetings. In its NFA, the agency indicated that this practice would continue and these costs would also be periodically included in a CAO dashboard available on AOC's intranet. Our review found that while other FECA cost reporting systems evolved significantly since our review, DOL jurisdictional costs were not communicated as indicated in the NFA for improved oversight of jurisdictional chargeback costs.

During our evaluation, we found that communication processes for reporting DOL FECA compensation costs to senior leadership were in place at the time of their NFA, but were not continuously maintained. Communication of AOC FECA costs is currently available to all AOC employees on a "dashboard" accessible from AOC's "Compass" intranet. Dashboard information includes data received directly from both the National Finance Center and from an "Injury and Illness" log maintained by WCPU. The dashboard provides the ability to view FECA data from different perspectives (such as injury rates, lost time, comparison of costs from year to year, and operational trends), with FECA data updated monthly. However, this site does not capture chargeback data from DOL. The AOC's Performance, Strategy and Innovation Division generates a separate report for this, but this report does not fully report DOL chargeback costs per jurisdiction because many jurisdictions did not exist at the time of injury. While other processes for reporting AOC's FECA lost work time costs included upgrading of AOC's dashboard, the reporting of DOL chargeback costs in place at the time of the AOC's NFA was not included in the dashboard upgrades.

The AOC CAO reported that HCMD has recently completed the development of a new DOL chargeback report that includes data by jurisdiction, which it began to distribute via email to appropriate jurisdictional personnel on a monthly basis starting in March 2018. In addition to reporting cumulative lost-time and costs by jurisdiction for each year, the report will also contain Case Manager notes regarding the status and actions taken for the cases. The agency stated that once these reports are in process, they will assess whether or not the data should be included in the dashboard, with this decision part of a broader reassessment of the information requirements for the AOC strategic management processes.

Conclusion

We found that the AOC did not fully implement its NFA to our recommendation to ensure an adequate level of communication to AOC senior leadership of jurisdictional FECA compensation costs. However, at the conclusion of our review, the AOC provided documentation that they were now sending DOL Chargeback Reports to each jurisdiction on a monthly cumulative basis and would also be evaluating whether or not to include this data in the CAO dashboard.

Recommendation B

B-1. We recommend the AOC continue the monthly communications with jurisdictions of their DOL chargeback costs to ensure appropriate communication of these costs to senior leadership.

Management Comments on the Finding and Our Response

AOC Comments on B-1: Concur. The Human Capital Management Division, Employee Benefits and Services Branch (EBSB) Chief began reviewing the quarterly DOL chargeback reports for accuracy and completeness in March 2018. The EBSB chief also generates a memorandum for record to the Deputy Chief Human Capital Officer validating the date of the review while documenting any discrepancies discovered in the chargeback report. Jurisdictions are now receiving an Excel spreadsheet from HCMD/OWCP which provides an overview of monthly chargeback costs associated with the jurisdiction. The spreadsheet also provides a status of current cases. HCMD/OWCP began this practice in mid-March 2018. These aforementioned practices will be added to AOC Order 810-1, Workers Compensation Policy, during the next revision.

Our Response: We reviewed management comments and determined they address the finding and recommendations. We consider this recommendation closed.

Finding C

AOC Guidance for Modified and Return to Work Assignments is Inadequate and for Those Tested Few Modified and Return to Work Assignments Were Implemented

We found that Chapter 810 of the Human Resources Manual was revised to implement the Modified Work Assignment and Return to Work Programs. However, the revised guidance does not address how the WCPU will ensure every employee injury case resulting in lost work time is reviewed by jurisdictions for eligibility for Modified Work Assignment or Return to Work opportunities. The order does not include detailed procedures for how to identify employees eligible for Modified Work Assignments, or a requirement that jurisdictions communicate to the WCPU that they have done so. Without adequate guidance and follow up by staff to ensure all eligible cases are considered, the AOC may be incurring unnecessary DOL chargeback costs.

Our review of a jurisdiction revealed that they had created very few Modified and Return to Work assignments, and this jurisdiction had the highest injury rates.

Modified Work Assignments and Return to Work Programs Guidance and Use

HCMD issued revised AOC Order 810 guidance on March 30, 2012 to include Modified Work Assignment (at the time of Audit A-2010-05, these were referred to as Light Duty assignments) and Return to Work programs. AOC Order 810 states that its purpose is to address procedures for returning employees to work from work-related illnesses and injuries, to assist injured workers during the recovery process by creating modified work assignments for employees who are temporarily disabled, and to identify and offer Return to Work positions when medical evidence supports permanent work restrictions for injured workers. However, the order did not include detailed procedures for how to identify employees eligible for Modified Work Assignments and did not include a requirement that jurisdictions were verifying that all eligible employees were identified for Modified or Return to Work assignments.

Due to the previously discussed turnover in WCPU and difficulty in obtaining in historical records, we could not verify that all eligible employees were identified for Modified/Return to Work assignments during the time period reviewed.

We reviewed a sample jurisdiction to evaluate their processes for identification and implementation of Modified/Return to Work assignments. We chose the jurisdiction with the highest injury rates, and our review revealed that they had created very few Modified or Return to Work assignments. Based on interviews, reasons provided for this included that it was hard to create modified assignments due to injury restrictions, and that such assignments could be problematic because the disparate duties of many of AOC's FECA claimants render it difficult to develop other work assignments for them (i.e., such as carpenters with specialized skill sets).

Few Modified and Return to Work Assignments Were Implemented

We interviewed WCPU staff to gain an understanding of their case review processes for identifying employees eligible for Modified or Return to Work opportunities. These processes include review of employees' medical records for restrictions placed on their ability to work, and if restrictions are not permanent, contacting the employees' jurisdictions to see if they could create work assignments accommodating the restrictions.

We reviewed a sample jurisdiction to evaluate their processes for implementing Modified Work Assignments and the Return to Work Program. We found that although the AOC had developed an SOP for these programs, and guidance on the FECA program processes was provided in AOC supervisor training, this jurisdiction did not use that guidance in implementing FECA program processes and consulted only AOC Order 810. We also found that because this jurisdiction historically had the largest number of FECA claims, the WCPU provided monthly reports of active cases to their FECA point of contact. (The WCPU also stated that it had started sending monthly reports to all jurisdictions as of February 2018.) Our jurisdiction review revealed they had developed only three Modified Work Assignments during the time period under review (DOL fiscal years ending 2013 through 2016), and they had processed only one Return to Work assignment during this period. According to the WCPU, the reason primarily cited for this was the difficulty in placing employees due to specialized skill sets.

Conclusion

Although AOC Order 810 was revised, we could not determine whether all eligible employees were identified for potential Modified Work Assignments or Return to Work assignments. An SOP for the Return to Work program provided by the WCPU during this evaluation has sections that are outdated; the jurisdiction we reviewed does not use the SOP; and information on the implementation of the Modified Work Assignment and Return to Work programs provided to supervisors in supervisory training does not include detailed steps for implementation. Further, Modified Work Assignments are rarely created and implemented, potentially resulting in an unnecessary loss of work time and increased FECA chargeback costs, which are paid from AOC General Funds.

Recommendation C

C-1. The AOC should make every effort to ensure employees are considered for possible work opportunities that accommodate injury restrictions by updating training materials to address specific processes for supervisors to follow when considering, reviewing, documenting and approving Return to Work and Modified Work Assignments. The AOC should update procedures to specifically address supervisory consideration and review, documentation, and notification to WCPU of this review for all lost work-time injury cases, and should distribute updated procedures to all jurisdictional personnel involved in this process.

C-2. We recommend the AOC explore assigning DOL chargeback costs to jurisdictions; this would encourage the jurisdictions to be more accountable for developing Modified and Return to Work assignments.

Management Comments on the Finding and Our Response

AOC Comments on C-1: AOC Order 810-1, Workers' Compensation Policy, dated September 25, 2015, sections 7.3.2. through 7.4.2.2., covers the Return to Work Program. The AOC strives to support that program to the extent of its ability based on fiscal constraints and mission requirements. Return to work opportunities are discussed with the jurisdiction to determine if opportunities exist to return an injured employee back to work in some capacity. As previously stated in the 2010 response, unfortunately not all permanent restrictions can be satisfied. The sheer nature of the agency mission often prohibits or restricts the type of opportunities that can be offered to an injured employee. This includes employees who are limited by their knowledge, skills and/or abilities, making it difficult to find or create a modified assignment that can accommodate the work restrictions of the employee. There are limited opportunities for the creation or modification of work due primarily to the lack of skills coupled with the physical restrictions imposed regarding lifting limits, limited standing for long periods of time and limited mobility due to back or lower extremity issues. The jurisdictions can only support a limited amount of modified work assignments based in part on mission support requirements, limited funding, medical restrictions of the employee, or the fact that other employees may already have modified work assignments/accommodations which hamper the jurisdictions' abilities to create additional assignments related to workplace injuries. However, the AOC will continue to pursue such opportunities as the requirements arise.

Our Response: The focus of the recommendation is that reviews should be performed, documented, and communicated and that guidance documents are updated to reflect this. In the Management Decision and NFA, the AOC should address how it has updated policy to reflect actions to document and communicate these steps.

AOC Comments on C-2: AOC will assess the opportunities for greater jurisdiction involvement in the administration of DOL chargeback reimbursements. Those

reimbursements are made using expired funds, which are managed by the CFO and not distributed to AOC jurisdictions. The annual reimbursement to DOL is accomplished via consolidated Intergovernmental Payment and Collections (IPAC) transfers. A change to that process would likely require significant additional administrative workload on both AOC and DOL. As explained in the AOC Comments for Recommendation B-1, AOC fully communicates jurisdiction-specific DOL chargeback data to the jurisdictions and will assess incorporating periodic reviews of jurisdiction support for the Modified and Return to Work programs in future AOC dashboard reviews.

Our Response: We reviewed management comments and determined they address the finding and recommendations.

Appendix A

Scope and Methodology

We conducted this follow-up evaluation from November 2017 through May 2018 in accordance with Council of Inspectors General on Integrity and Efficiency “Quality Standards for Inspection and Evaluation.” These standards require that we plan and perform the follow-up evaluations to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our evaluation objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our evaluation follow-up objectives.

We reviewed criteria to determine whether the AOC had implemented and complied with the recommendations made in A-2010-05 and with their NFAs to these recommendations.

We interviewed key personnel responsible for oversight and implementation of AOC’s FECA processes, as well as an employee involved in reporting FECA statistics to AOC’s senior leadership. We also reviewed official records of processing actions, DOL Chargeback Reports, and WCPU’s standardized templates for processing FECA actions. Our period of review encompassed DOL fiscal years ending 2013 through 2016.

Use of Computer-Processed Data

We did not use computer-processed data to perform this evaluation.

Prior Coverage

In the past five years, prior coverage of AOC’s FECA processes included OIG Management Advisory MA(I)-14-01 Reporting and Processing Workplace Injuries: Recommended Improvements in AOC’s Administration of the Workers’ Compensation Program.

Management Comments



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United States Government

MEMORANDUM

DATE: June 21, 2018

TO: Christopher P. Failla
Inspector General

FROM: Stephen E. Ayers, FAIA, LEED AP
Architect of the Capitol

SUBJECT: Comments to Draft Report Follow-up Evaluation of Audit of the Architect of the Capitol Compliance with Federal Workers' Compensation Act Program (Project No. 2018-0002-AUD-R)

This memorandum provides the Architect of the Capitol's comments to Draft Report Follow-up Evaluation of Audit of the Architect of the Capitol Compliance with Federal Workers' Compensation Act Program (Project No. 2018-0002-AUD-R).

Recommendation A

A-1. We recommend that the WCPI's new case tracking system centralizes all cases reported on the most recent AOC DOI chargeback reports, and that it include reminders on open items, comparison of approved injuries to medical expenses, and tracking of case review for potential Return to Work opportunities. AOC should also ensure that the system retains records of all reviews conducted, including contacts and coordination with DOL regarding questionable costs.

AOC Comments: Concur. The Human Capital Management Division (HCMD) has identified a possible vendor to assist with workers' compensation case management. The Library of Congress has used this vendor for their workers' compensation case management needs. HCMD has received a demonstration of the case management system and believes it will satisfy our needs. We are awaiting approval from the Information Technology Division (ITD) before moving forward with the acquisition process.

A-2. We recommend that the WCPI update their written procedures to reflect current practices.

AOC Comments: Concur. Minor revisions are needed to the AOC Order 810-1, Workers' Compensation Policy dated September 25, 2015. The policy will be completed pending changes that may come as a result of on-going process improvement efforts between Safety, Fire and Environmental Programs (Safety Investigations) and HCMD, Office of Workers' Compensation Program (OWCP). Upon completion of this effort, HCMD will initiate the draft for comment from AOC jurisdictions. HCMD/OWCP will also update the Workers' Compensation Standard Operating Procedure (SOP) and develop a Workers' Compensation Chargeback SOP. The anticipated completion date for the SOP's is late fall 2018.

Recommendation B

B-1. We recommend AOC continue the monthly communications with jurisdictions of their DOL chargeback costs to ensure appropriate communication of these costs to senior leadership.

AOC Comments: Concur. The Human Capital Management Division, Employee Benefits and Services Branch (EBSB) Chief began reviewing the quarterly DOL chargeback reports for accuracy and completeness in March 2018. The EBSB chief also generates a memorandum for record to the Deputy Chief Human Capital Officer validating the date of the review while documenting any discrepancies discovered in the chargeback report. Jurisdictions are now receiving an Excel spreadsheet from HCMD/OWCP which provides an overview of monthly chargeback costs associated with the jurisdiction. The spreadsheet also provides a status of current cases. HCMD/OWCP began this practice in mid-March 2018. These aforementioned practices will be added to AOC Order 810-1, Workers Compensation Policy, during the next revision.

Recommendation C

C-1. AOC should make every effort to ensure employees are considered for possible work opportunities that accommodate injury restrictions by updating training materials to address specific processes for supervisors to follow when considering, reviewing, documenting and approving Return to Work and Modified Work Assignments. AOC should update procedures to specifically address supervisory consideration and review, documentation, and notification to WCPU of this review for all lost work-time injury cases, and should distribute updated procedures to all jurisdictional personnel involved in this process.

AOC Comments: AOC Order 810-1, Workers' Compensation Policy, dated September 25, 2015, sections 7.3.2. through 7.4.2.2., covers the Return to Work Program. The AOC strives to support that program to the extent of its ability based on fiscal constraints and mission requirements. Return to work opportunities are discussed with the jurisdiction to determine if opportunities exist to return an injured employee back to work in some capacity. As previously stated in the 2010 response, unfortunately not all permanent restrictions can be satisfied. The sheer nature of the agency mission often prohibits or restricts the type of opportunities that can be offered to an injured employee. This includes employees who are limited by their knowledge, skills and/or abilities, making it difficult to find or create a modified assignment that can accommodate the work restrictions of the employee. There are limited opportunities for the creation or modification of work due primarily to the lack of skills coupled with the physical restrictions imposed regarding lifting limits, limited standing for long periods of time and limited mobility due to back or lower extremity issues. The jurisdictions can only support a limited amount of modified work assignments based in part on mission support requirements, limited funding, medical restrictions of the employee, or the fact that other employees may already have modified work assignments/accommodations which hamper the jurisdictions' abilities to create additional assignments related to workplace injuries. However, the AOC will continue to pursue such opportunities as the requirements arise.

C-2. We recommend the AOC explore assigning DOL chargeback costs to jurisdictions; this would encourage the jurisdictions to be more accountable for developing Modified and Return to Work assignments.

AOC Comments: AOC will assess the opportunities for greater jurisdiction involvement in the administration of DOL chargeback reimbursements. Those reimbursements are made using expired funds, which are managed by the CFO and not distributed to AOC jurisdictions. The annual reimbursement to DOL is accomplished via consolidated Intergovernmental Payment and Collections (IPAC) transfers. A change to that process would likely require significant additional administrative workload on both AOC and DOL. As explained in the AOC Comments for Recommendation B-1, AOC fully communicates jurisdiction-specific DOL chargeback data to the jurisdictions and will assess incorporating periodic reviews of jurisdiction support for the Modified and Return to Work programs in future AOC dashboard reviews.

Please do not hesitate to contact me at 202.224.3536 if you have any questions concerning this response.

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Announcement Memo



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United States Government

MEMORANDUM

DATE: November 27, 2017

TO: The Honorable Stephen T. Ayers, FAIA, LEED AP,
Architect of the Capitol

FROM: Christopher P. Failla 
Inspector General

SUBJECT: Follow-up Evaluation of Audit of Architect of the Capitol (AOC) Compliance with Federal Workers' Compensation Act (FECA) Program (Project No: 2018-0002-AUD-P)

This is to notify you that the Office of Inspector General (OIG) is beginning a follow-up evaluation to our *Audit of AOC Compliance with the Federal Workers' Compensation Act Program (A-2010-05)*, issued June 8, 2010. Our objective is to determine whether the AOC implemented the remedial actions they discussed in their Notice of Final Action responses to recommendations 1, 2 and 4 of our report, and to determine if their actions corrected issues identified in these findings. Our recommendations and the AOC's response are as follows:

- 1) **Recommendation 1:** AOC institute closer monitoring of all costs related to FECA, including at least quarterly reviews of charges from the Department of Labor (DOL); follow-up with DOL on questionable costs; and coordinate with DOL to ensure the correct case status.
Final Agency Action: In August 2009, the AOC Workers' Compensation Program Unit (WCPU) developed a process to thoroughly review all chargeback reports received from DOL to ensure accuracy. In the event that there is a questionable cost, the DOL is contacted to facilitate adjustments. To date, all charges received have been thoroughly reviewed and have been found to be accurate. There has been continuous review and contact with DOL to correct the status of cases, when appropriate (e.g., daily rolls, periodic rolls, etc.).
- 2) **Recommendation 2:** AOC determine an adequate level of management review for each quarterly and annual chargeback report on the FECA Program, including analysis of organizational costs. Each review should be at such a level to meet minimum internal control standards and should be documented in Human Capital Management Division policy.
Final Agency Action: The WCPU has developed a written process that includes a 100% review of quarterly and yearly chargeback reports from the DOL by the Program Manager and/or Employee Relations Branch (ERB) Chief. Compensation costs by

jurisdiction are communicated to the jurisdiction heads from the quarterly Safety, Health, Environmental Council (SHEC) meetings and will periodically be included in the Chief Administrative Officer Dashboard.

- 4) **Recommendation 4:** AOC fully implement the Limited Duty Program as set forth in the AOC Human Resources Manual, Chapter 810A, requiring AOC coordination and partnership between organizations; and ensure that appropriate light duty assignment lists are current and available to all organizational units.

Final Agency Action: Chapter 801 of the Human Resources Manual has been revised to implement the Modified Work Assignment and Return to Work Programs. These programs are intended to assist injured workers during the recovery process by creating modified work assignments for employees who are temporarily disabled; and to identify and offer return to work positions (which may be modified) when medical evidence supports permanent work restrictions for injured workers.

We will contact the appropriate AOC offices to schedule an entrance conference. If you have any questions, please contact Ashton Coleman, Jr., Assistant Inspector General for Audit, at 202.593.0261.

Distribution List:

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Acronyms and Abbreviations

AOC	Architect of the Capitol
CAO	Chief Administrative Officer
DOL	Department of Labor
FECA	Federal Employee's Compensation Act
HCMD	Human Capital Management Division
NFA	Notice of Final Action
OIG	Office of Inspector General
SOP	Standard Operating Procedure
WCPU	Workers' Compensation Program Unit



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