



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

The Postal Service's Handling of Office of Workers' Compensation Program Claim Forms

Audit Report

Report Number
HR-AR-16-002

April 7, 2016

U.S. Department of Labor
Office of Workers' Compensation Programs

Federal Employee's Notice of Traumatic Injury and
Claim for Continuation of Pay/Compensation

Employee: Please complete all boxes 1 - 13 below. Do not complete shaded areas.
Witness: Complete bottom section 14.
Employing Agency (Supervisor or Compensation Specialist): Complete shaded boxes a, b, and c.

Employee Data

1. Name of employee (Last, First, Middle) _____
2. Social Security Number _____
3. Date of birth: Mo. Day Yr. 4. Sex Male Female 5. Home telephone _____
6. Employer's home mailing address (include street address, city, state, and ZIP code) _____
7. City _____
8. Grade or rate of pay _____
9. Place where injury occurred (e.g. 2nd floor, Main Post Office Bldg., 12th & Pine) _____
10. Date injury occurred: Mo. Day Yr. 11. Date of this notice: Mo. Day Yr. 12. Employee's occupation _____
13. Cause of injury (Describe what happened and why) _____
14. Nature of injury (Identify both the injury and the part of the body, e.g., fracture of left leg) _____

Description of Injury

15. I certify, under penalty of law, that the injury described above was sustained in performance of duty as an employee of the United States Government and that it was not caused by my willful misconduct, intent to injure myself or another person, nor by my intoxication. I hereby affirm that I understand that the continuation of my regular pay shall be charged to sick or annual leave, or be deemed an advance on my regular pay.

a. Continuation of regular pay (CRP) not to exceed 45 days and compensation for wage loss if disability for work continues beyond 45 days. If my claim is denied, I understand that the continuation of my regular pay shall be charged to sick or annual leave, or be deemed an advance on my regular pay.

b. Sick and/or Annual Leave

c. I hereby authorize any physician or hospital (or any other person, institution, corporation, or government agency) to furnish any desired information as provided by the ECA or who knowingly accepts compensation to which that person is not entitled as a result of administrative remedies as provided by the ECA or who knowingly accepts compensation to which that person is not entitled as a result of administrative remedies as well as felony criminal prosecution and may, under appropriate criminal provisions, be punished by a fine or imprisonment or both.

Witness Statement

16. Statement of witness (Describe what you saw, heard, or know about this injury)

Name of witness _____
Address _____
Signature of witness _____
City _____
Date signed _____
ZIP Code _____

Form CA-1
Revised January 2013



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

Highlights

Once a CA-1, CA-2, or CA-7 was initiated, the DOL determined timeliness from the date the supervisor received notification to the date the DOL received the form.

Background

In fiscal years (FY) 2014 and 2015, the Federal Employees' Compensation Act (FECA) provided over \$1 billion in annual workers' compensation benefits to U.S. Postal Service workers for personal injury, disease, or death sustained while working. The U.S. Department of Labor's (DOL) Office of Workers' Compensation Program (OWCP) administers the FECA for the Postal Service.

Postal Service district offices must manage the Injury Compensation program by reporting accidents, incidents, and illnesses in the Employee Health and Safety (EHS) system within 24 hours of being notified by employees.

The DOL OWCP also requires Postal Service employees to file various processing forms for work-related injuries and illnesses and provide them to their supervisors, such as the CA-1 Notice of Traumatic Injury and Claim for Continuation of Pay Compensation, CA-2 Notice of Occupational Diseases and Claim for Compensation, and CA-7 Claim for Compensation.

An employee's supervisor must submit these forms to district officials, who review them for completeness and submit them to the DOL OWCP within 10 business days of notification. The DOL bases timeliness on the number of days between the notification date and the date the DOL receives the form. The DOL publishes a quarterly report on its website of how long agencies took to submit forms.

This audit report responds to a complaint regarding the Postal Service's handling of OWCP claim forms in the Capital District. We expanded our scope to the Hawkeye District because of a related congressional inquiry and to the Arizona and Suncoast districts due to the high volume of OWCP claim forms those districts processed timely. In FY 2014 through Quarter 3, FY 2015, these districts collectively recorded over 6,000 OWCP-related incidents and accidents.

Our objective was to determine whether the Postal Service appropriately handled OWCP claim forms to ensure they were submitted to the DOL accurately and timely.

What The OIG Found

The Postal Service did not appropriately handle claim forms to ensure accurate and timely submission to the DOL. Specifically:

In 102 of 471 (22 percent) case files reviewed, personnel made improper revisions to the employee and supervisor sections of the claim forms. Specifically, in 77 of 102 case files, personnel in the Arizona, Capital, Suncoast, and Hawkeye districts improperly revised dates on forms in three places: 1) the date the employee completed the form, 2) the date the supervisor was notified, and 3) the date the supervisor signed the form. In 25 of 102 case files, personnel in Arizona and Suncoast districts improperly revised, but revisions were not limited to, the place and the date injury occurred, the cause and the nature of injury, the date stopped work, the date pay stopped, and the



OFFICE OF INSPECTOR GENERAL

UNITED STATES POSTAL SERVICE

22 percent of claim forms were improperly revised, 11 percent of incoming OWCP documents were not date stamped, and 32 percent of incidents and illnesses were not recorded in EHS, as required.

date returned to work. Revising information on the claim forms without documenting the changes gave the appearance that claim forms were completed and submitted timely to the DOL. We referred these incidents to our Office of Investigations for further review.

In addition, personnel in Arizona, Suncoast and Hawkeye districts did not date stamp 50 of 438 incoming claim documents (11 percent) as required. Also, personnel in Arizona and Suncoast districts did not date stamp 30 of 364 outgoing claim documents (8 percent). Although not a requirement, the Postal Service should date stamp outgoing OWCP documents as a best practice to ensure timely claims submission to DOL. Because forms were not date stamped, there was no reasonable assurance that forms were processed timely.

Finally, Postal Service supervisors in the Arizona and Suncoast districts did not report 118 of 364 (32 percent) incidents in the EHS system within 24 hours as required. Untimely reporting of incidents in the EHS system does not provide Postal Service management with real-time accidents or illnesses data for reporting purposes.

These conditions occurred because the Postal Service used a labor-intensive manual claims process for OWCP claim documents, which increased opportunities and the risk for personnel to alter the documents. Additionally, personnel in

the Capital and Hawkeye districts stated they felt pressure because although no longer a goal, the Postal Service monitors timeliness for OWCP claim form submission.

In addition, district personnel were not always aware of policies and procedures for claim forms; and the Postal Service did not establish policies and procedures for revising pertinent dates on the CA-1 form, or revising CA-2 and CA-7 forms, and date stamping outgoing claim documents. Lastly, supervisors did not submit incidents into the EHS system within 24 hours as required because they stated the system was slow and not user friendly.

A more comprehensive electronic claims process could reduce the risk of improper document revisions and improve the timeliness of claim form submissions to the DOL. Insufficient controls over the claims handling process and improper alteration of pertinent dates on claims forms could harm the Postal Service's brand and integrity.

What The OIG Recommended

We recommended management develop a more comprehensive electronic claims process. We also recommended mandatory training on policies and procedures for claim forms, establishing policies and procedures for revising dates and date stamping outgoing claim forms, and evaluating the EHS system to enhance usability and efficiency.



Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 7, 2016

MEMORANDUM FOR: JEFFREY C. WILLIAMSON
CHIEF HUMAN RESOURCES OFFICER AND EXECUTIVE
VICE PRESIDENT

E-Signed by Janet Sorensen 
VERIFY authenticity with eSign Desktop


FROM: Janet M. Sorensen
Deputy Assistant Inspector General
for Revenue and Resources

SUBJECT: Audit Report – The Postal Service’s Handling of Office of
Workers’ Compensation Program Claim Forms
(Report Number HR-AR-16-002)

This report presents the results of our audit of the U.S. Postal Service’s Handling of Office of Workers’ Compensation Program Claim Forms (Project Number 15RG023HR001).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Monique P. Colter, director, Human Resources and Support, at 703-248-4536.

Attachment

cc: Corporate Audit and Response Management

Table of Contents

Cover	
Highlights.....	1
Background.....	1
What The OIG Found.....	1
What The OIG Recommended	2
Transmittal Letter.....	3
Table of Contents.....	4
Findings	5
Introduction	5
Summary.....	5
Handling Office of Workers' Compensation Program Claim Forms	6
Revised Claim Forms	6
Date Stamping Claim Documents	8
Employee Health and Safety System	9
Recommendations.....	10
Management's Comments	10
Evaluation of Management's Comments	11
Appendices.....	12
Appendix A: Additional Information	13
Background	13
Objective, Scope, and Methodology	13
Prior Audit Coverage.....	14
Appendix B: Office of Workers' Compensation Program Forms	15
Appendix C: Management's Comments	16
Contact Information	18

Findings

If the district HRM specialist or employee wishes to make a change to the claim form, that individual must initial any revision made to the employee and supervisor sections.

The Postal Service did not appropriately handle claim forms to ensure accurate and timely submission to the DOL OWCP because of an inefficient and labor-intensive process.

Introduction

This report presents the results of our audit of the U.S. Postal Service's handling of Office of Workers' Compensation Program (OWCP) claim forms (Project Number 15RG023HR001). The report responds to a complaint submitted to the U.S. Postal Service Office of Inspector General (OIG) alleging the Postal Service instructed Health and Resource Management (HRM) personnel in the Capital District to change dates on OWCP claim forms to make it appear as if they were processed on time. We expanded our scope to the Hawkeye District because of a related congressional inquiry and to the Arizona and Suncoast districts due to the high volume of OWCP claim forms that those districts processed on time. Our objective was to determine whether the Postal Service appropriately handled OWCP claim forms to ensure they were submitted to the Department of Labor (DOL) accurately and timely. See [Appendix A](#) for additional information about this audit.

In fiscal years (FY) 2014 and 2015, the Federal Employees' Compensation Act (FECA) provided over \$1 billion in annual workers' compensation benefits to Postal Service workers for personal injury, disease, or death sustained while working. The DOL's OWCP administers the FECA for the Postal Service. The FECA provides that if an employee's injury or disease will likely result in a medical charge against the OWCP or time lost from work due to a temporary or permanent impairment, the employer must complete and transmit a claim form such as the CA-1, CA-2, or CA-7.¹ Postal Service district HRM specialists must ensure the program is managed in accordance with DOL OWCP directives.

To effectively manage workers' compensation claims and cases, Postal Service supervisors are required to report job-related accidents, incidents, and illnesses in the Employee Health and Safety (EHS) system within 24 hours of notification from an employee. The injured or ill employee prepares the claim forms and submits the forms to their supervisor, who sends the forms to district HRM offices.² District HRM specialists review claim forms for accuracy and completeness and then forward the completed form and related documents to the DOL OWCP within 10 working days. If the district HRM specialist or employee wishes to make a change to the claim form, that individual must initial any revisions made to the supervisor or employee sections. Postal Service policy also states that under no circumstances should the HRM specialists make changes to the employee section of the CA-1.³ See [Appendix B](#) for further details on OWCP claim forms CA-1, CA-2, and CA-7.

Summary

The Postal Service did not appropriately handle claim forms to ensure accurate and timely submission to the DOL OWCP in the following situations:

- In 102 of 471 case files reviewed (22 percent), personnel made improper revisions to the employee and supervisor sections of the claim forms. Specifically:
 - In 77 of 102 case files reviewed (75 percent), HRM specialists in the Arizona, Capital, Suncoast, and Hawkeye districts improperly revised dates on forms in three places: 1) the date the employee completed the form, 2) the date the supervisor was notified, and 3) the date the supervisor signed the form.

¹ CA-1, Notice of Traumatic Injury, is completed for job-related traumatic injuries, including first-aid cases; CA-2, Notice of Occupational Disease, is completed for occupational diseases and illnesses, such as carpal tunnel; and CA-7, Claim for Compensation, is used to claim compensation when the employee loses wages due to the work injury.

² Postal Service headquarter officials prefer injured or ill employees and supervisors initiate and complete the claim forms together in the EHS.

³ Postal Service Handbook EL-505, *Injury Compensation*, Section 4-4, Reviewing CA-1, updated January 2015.

- In 25 of 102 case files reviewed (25 percent), personnel in Arizona and Suncoast districts improper revisions included, but were not limited to, the place and date injury occurred, the cause and nature of injury, the date stopped work, the date pay stopped, and the date returned to work. We referred all incidents to our Office of Investigations for further review.
- HRM specialists did not date stamp 50 of 438 incoming claim documents (11 percent), as required or 30 of 364 outgoing claim documents (8 percent).
- Postal Service supervisors in the Arizona and Suncoast districts did not submit 118 of 364 incidents (32 percent) into the EHS system within 24 hours as required.

These conditions occurred because the Postal Service used an inefficient and labor-intensive manual process to complete and submit OWCP claim documents, which increased opportunities and the risk for personnel to alter the documents. Additionally, personnel in the Capital and Hawkeye districts stated they felt pressure because although no longer a goal, the Postal Service monitors timeliness for OWCP claim form submission.

Also, supervisors did not always submit incidents to the EHS system because the system was slow and not user friendly. In addition, district personnel were not always aware of the policies and procedures for completing and submitting claim forms. Further, the Postal Service did not establish policies and procedures for revising pertinent dates on the CA-1 form, revising CA-2 and CA-7 forms, and date stamping outgoing claim documents.

A more comprehensive electronic claims process could reduce the risk of improper revisions and increase efficiency in submitting timely claim forms to the DOL. Insufficient controls over the claims handling process and improper alterations of pertinent dates on claims processing forms could harm the Postal Service's brand and integrity.

Handling Office of Workers' Compensation Program Claim Forms

The Postal Service did not always appropriately handle CA-1, CA-2, and CA-7 claim forms in the Arizona, Capital, Hawkeye, and Suncoast districts, which gave the appearance that claim forms were completed and submitted timely to DOL. Specifically, HRM specialists improperly revised forms by whiting out and changing pertinent information and failing to document revisions to the employee and supervisor sections of forms as required. In addition, supervisors in the Arizona and Suncoast districts did not always submit incidents to the EHS system within 24 hours as required. Lastly, HRM specialists did not always date stamp incoming claim documents as required or outgoing claim documents.

Revised Claim Forms

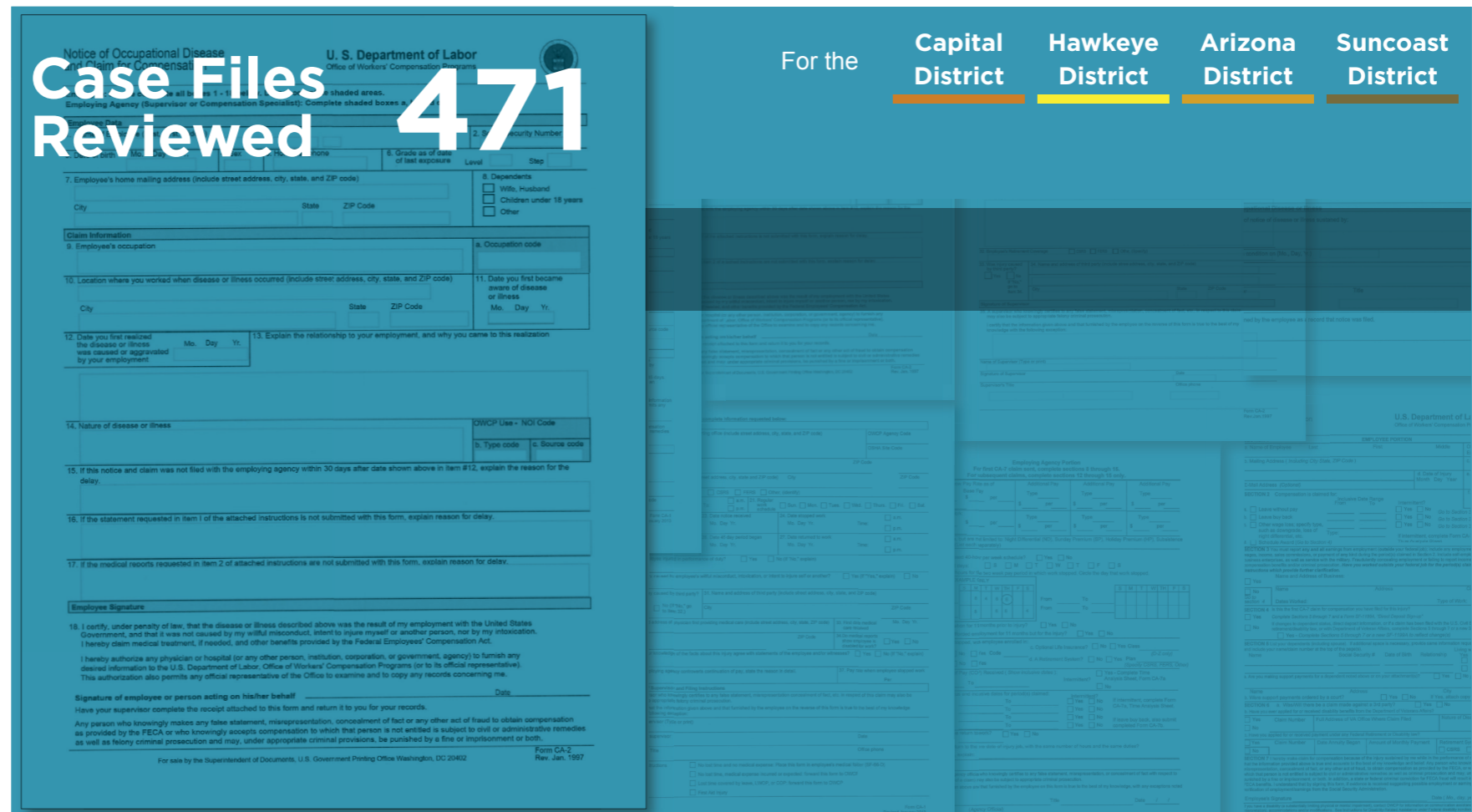
HRM specialists in the Arizona, Capital, Hawkeye, and Suncoast districts improperly revised claim forms in 102 of 471 case files reviewed (22 percent) by whiting out and revising pertinent information, to include the dates DOL uses to determine timeliness. To appear as if the forms were processed on time, HRM specialists improperly revised information initially entered in the employee and supervisor sections without documenting the changes as required. For example, an employee submitted a CA-1 form to the postmaster after sustaining an injury in May 2014, but the postmaster failed to turn the form in immediately. When the district office finally received the form in September 2014, the office changed the date of the postmaster's signature and Notice of Receipt to September 2014.

In 77 of 102 case files reviewed (75 percent), revisions often included changing the date the employee completed the form, the date the supervisor was notified, and the date the supervisor signed the form.

In 77 of 102 case files reviewed (75 percent), revisions often included changing the date the employee completed the form (Box 11 on CA-1 and Box 15 on CA-7), the date the supervisor was notified (Box 23 on CA-1 and Box 26 on CA-2), and the date the supervisor signed the form (Box 38 on CA-1 and Box 35 on CA-2) (see Figure 1).

In 25 of 102 case files reviewed (25 percent), revisions included, but were not limited to, the place where injury occurred (Box 9 on CA-1 and Box 10 on CA-2), the date injury occurred (Box 10 on CA-1 and Boxes 11 and 12 on CA-2), the cause of injury (Box 13 on CA-1), the nature of injury (Box 14 on CA-1), the date stopped work (Box 24 on CA-1 and Box 27 on CA-2), the date pay stopped (Box 25 on CA-1 and Box 26 on CA-2), and the date returned to work (Box 27 on CA-1 and Box 30 on CA-2). We referred all incidents to our Office of Investigations for further review (see Figure 1).

Figure 1. Improperly Revised Claim Forms



Source: OIG analysis.

The Postal Service requires HRM specialists to contact the employee, the employee’s representative, or the employee’s supervisor to obtain missing information to ensure that CA-1 and CA-2 forms are accurate and complete.⁴ Instructions for the CA-1 form state that the employee must initial any revision or submit authorization for the changes in writing. Under no circumstances

⁴ Handbook EL505, Section 4-4, Reviewing CA-1 and Section 4-9, Reviewing CA-2

While the Postal Service has policies for revising the CA-1 form, there is no specific language for revising pertinent dates on the CA-1 and no policies for revising the CA-2 and CA-7 forms.

should HRM specialists revise the employee section of the CA-1 form without the employee’s documented approval. HRM specialists must also initial any changes made to the supervisor’s section.⁵ The Postal Service did not have specific policies and procedures for revising CA-2 and CA-7 forms.

HRM specialists in the Arizona and Suncoast districts stated they revised the employee section of the forms to make the information more legible as required by the DOL, which issued guidance requiring all fields on the forms to be complete and legible.⁶

This condition occurred because the Postal Service used a labor-intensive manual process to complete and submit OWCP claim documents, which increased opportunities and the risk for personnel to alter the documents. For example, paper claim forms must be signed, submitted, and faxed. Also those claim forms that are electronically prepared must also be printed, signed, submitted, and faxed manually.

Additionally, personnel in the Capital and Hawkeye districts stated they felt pressure because although no longer a goal, the Postal Service monitors timeliness for OWCP claim form submission. We also found that HRM specialists were not always aware of the policies and procedures for revising CA-1 forms and there was no established policy for revising pertinent dates on the CA-1, CA-2, and CA-7 forms. Finally, although the Postal Service offers injury compensation training courses, they are not mandatory.

Date Stamping Claim Documents

HRM specialists in the Hawkeye, Arizona, and Suncoast districts did not date stamp 50 of 438 incoming claim documents (11 percent) as required. The Hawkeye District accounted for 40 of the 50 case files (80 percent) not date stamped (see Table 1).

Table 1. Incoming Claims Not Date Stamped

	Hawkeye District	Arizona District	Suncoast District	Total
Case Files Reviewed	74	182	182	438
Incoming Claims Not Date Stamped	40	1	9	50

Source: OIG analysis.

The Postal Service requires HRM specialists to date stamp incoming claim documents upon receipt.⁷ Although not a requirement for processing claim forms, HRM specialists in the Arizona and Suncoast districts did not date stamp 30 of 364 outgoing claim documents (8 percent). The Arizona District accounted for seven of the 30 forms (23 percent) and the Suncoast District accounted for the remaining 23 claim documents (76 percent). Date stamping outgoing OWCP documents is an effective practice to ensure claim forms are submitted to DOL timely.

This condition occurred because of the Postal Service’s labor-intensive manual claim form submission process, which increased opportunities and the risk for personnel to alter the documents. For incoming claim documents, the HRM specialist overlooked stamping the documents or the date stamp machine was broken. The Postal Service did not require date stamping of outgoing claim documents.

⁵ Handbook EL-505, Section 4-4. Reviewing CA-1

⁶ *Employing Agency Guidelines, Division of Federal Employees Compensation, Consolidated Case Create Facility*, September 7, 2012.

⁷ Handbook EL-505, Section 4-3, Injury Compensation.

Of the 364 incidents and illnesses recorded in EHS, 80 percent were recorded 2-9 days late and 20 percent were recorded more than 10 days late.

Employee Health and Safety System

Postal Service supervisors in the Arizona and Suncoast districts⁸ did not record 118 of 364 incidents (33 percent) in the EHS system within 24 hours of the employee notifying the supervisor of the incident. Specifically, 94 of 118 incidents (80 percent) were recorded within 2-9 days of the incidents and 24 of 118 incidents (20 percent) were recorded more than 10 days late.

The Postal Service requires immediate supervisors to enter information regarding an employee accident or illness into the EHS system⁹ within 24 hours of notification of an incident.¹⁰ Supervisors and HRM officials in the Arizona and Suncoast districts stated that completing and submitting incidents in the EHS system was time consuming and that the EHS system was cumbersome, slow, and not user friendly. They also stated that the EHS system would lock if information was incomplete and only safety officials could unlock the system. In addition, supervisors in the Arizona and Suncoast districts followed districts' protocols to alert district HRM specialists of incidents instead of following existing policy for reporting information into the EHS system timely. Specifically,

- In the Arizona District, supervisors reported the incident within 2 hours via the 2-Hour Accident Notification Form.
- In the Suncoast District, supervisors completed a call-in sheet when notified of an incident.

Creating a more comprehensive electronic claims process could reduce the risk of improper revisions and increase efficiency in submitting timely claim forms to the DOL. Insufficient controls over the claims handling process and improperly altering pertinent dates on claims processing forms could harm the Postal Service's brand and integrity.

⁸ We did not conduct this analysis in the Hawkeye and Capital districts due to the ongoing investigations.

⁹ Postal Service Form 1769, EHS Accident Report, is the official form required for reporting all accidents and injuries whether or not a claim form is submitted and regardless of the severity of injury or the amount of property damage. This form provides a detailed account of the accident or incident.

¹⁰ Handbook EL-505, Section 3-6, Injury Compensation.

Recommendations

We recommend management develop a more comprehensive electronic claims process to ensure claim forms are completed accurately and timely.

We recommend the chief Human Resources officer and executive vice president:

1. Develop a more comprehensive electronic claims process to ensure claim forms are completed accurately and timely.
2. Establish mandatory training to ensure Health and Resource Management specialists are aware of policies and procedures for handling claims processing forms.
3. Establish policies and procedures for revising dates on the CA-1, revising CA-2 and CA-7 claim forms, and date stamping outgoing claim documents.
4. Evaluate the Employee Health and Safety module to enhance usability and efficiency to ensure accidents and incidents are recorded accurately and timely.

Management's Comments

Management agreed with the findings, partially agreed to recommendation 1, and agreed with recommendations 2 through 4.

Regarding recommendation 1, management met with the DOL/OWCP and discussed implementing the ECOMP system, which is the electronic processing system of the DOL/OWCP. The ECOMP system was developed for smaller agencies and the Postal Service would encounter many difficulties using it because of the size of their organization. Consequently, management agrees to further investigate other options that may facilitate the ability to electronically process claims and assist with ensuring claim forms are accurately and timely completed. The target implementation date is March 31, 2017.

In regard to recommendation 2, management agreed to provide mandatory WebEx training to Postal Service Headquarters' staff and district HRM teams after modifying Handbook EL-505 policy regarding revisions on CA-1, CA-2, and CA-7 claim forms and date stamping outgoing claim documents. The target implementation date is December 31, 2016.

In regard to recommendation 3, management agreed to review Handbook EL-505 and modify, add, or create language for revising the CA-1, CA-2, and CA-7 claim forms and date stamping outgoing claims documents. The target implementation date is September 30, 2016.

In regard to recommendation 4, management agreed to evaluate the EHS system and explore options to enhance usability and efficiency to ensure all accidents are recorded accurately and timely. Management also expressed that they will make no commitment to implementing changes if there is no return on investment. The target implementation date is March 31, 2017.

See [Appendix C](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments responsive to the recommendations in the report and corrective actions should resolve the issues identified in the report.

Management partially agreed to recommendation 1 based on potential difficulties in using the ECOMP system. However, the intent of our recommendation was not for management to specifically use the ECOMP system, we recommended that they develop a more comprehensive electronic claims process to improve the accuracy and timeliness of forms between postal facilities and district offices. Management should investigate the most viable option to facilitate the ability to electronically process claims, and use the results of the review to develop a more comprehensive electronic claims process.

In response to recommendation 4, management asserted that they will make no commitment to implement changes to the EHS if there is no return on investment. However, management should consider qualitative factors such as usability and efficiency to supervisors and HRM officials located in the 67 districts in determining the return on investment.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

*Click on the appendix title
to the right to navigate
to the section content.*

Appendix A: Additional Information	13
Background	13
Objective, Scope, and Methodology	13
Prior Audit Coverage	14
Appendix B: Office of Workers' Compensation Program Forms	15
Appendix C: Management's Comments	16

Appendix A: Additional Information

EHS supports the management of workers' compensation claims and cases at the district, area, and headquarters levels.

Background

In FYs 2014 and 2015, the FECA provided about \$1.3 billion and \$1.4 billion, respectively, in annual workers' compensation benefits to Postal Service workers for personal injury, disease, or death sustained while working. The DOL OWCP administers the FECA.

The DOL OWCP requires various claim forms to be filed to manage work-related injuries and illnesses, such as the CA-1, CA-2, and CA-7. The Division of Federal Employees' Compensation (DFEC) administers the FECA through its 12 district offices and its national office. DFEC adjudicates new claims for benefits and manages ongoing cases, pays medical expenses and compensation benefits to injured workers and survivors, and helps injured employees return to work when they are medically able to do so.

EHS system is a module within the Human Capital Enterprise System that retains documentation of accidents, incidents, illnesses, and OWCP cases. The EHS system supports accident reporting for districts, areas, and headquarters; and supports HRM's management of workers' compensation claims and cases at the district, area, and headquarters levels.

Objective, Scope, and Methodology

The report responds to a complaint to the OIG alleging that Postal Service management instructed HRM personnel in the Capital District to change dates on OWCP claim forms to appear as if they were processed on time. Our objective was to determine whether the Postal Service appropriately handled CA-1, CA-2, and CA-7 OWCP claim forms to ensure the forms were submitted to the DOL accurately and timely. Our scope included reported traumatic and non-traumatic injuries for FY 2014 through Quarter (Q) 3, FY 2015. To accomplish our objective, we:

- Reviewed applicable policies, procedures, laws, and regulations.
- Interviewed supervisors in the Arizona and Suncoast districts; area and district HRM managers; HRM specialists in the Arizona, Capital, Hawkeye, and Suncoast districts; and headquarters officials to gain an understanding of the processes and procedures for handling claim forms and their related roles and responsibilities.
- Reviewed the DOL's *CA-1/CA-2 Time Lag Analysis* report for Q3, FY 2015, to assess Postal Service facilities with the largest number of cases submitted to the DOL.
- Reviewed OWCP case files in four judgmentally selected districts (Capital, Hawkeye, Arizona, and Suncoast) in the Capital Metro, Western, and Southern areas, respectively.
- Reviewed the original manually prepared claim forms.
- Reviewed districts' HRM goals and a judgmentally selected number of individual performance evaluations to determine whether HRM officials had incentives for submitting claim forms on time to DOL.

We conducted this performance audit from June 2015 through April 2016, in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for

our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on March 4, 2016, and included their comments where appropriate.

We assessed the reliability of data obtained from the EHS system by comparing data for each claim file generated for the independent random sample against hard copy case files maintained at district HRM offices. Each claim file was validated against its corresponding EHS data entry along 34 separate data points. We also interviewed Postal Service HRM specialists and management officials knowledgeable about the data. We determined that the data was sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Postal Service Injury Compensation Program</i>	HR-AR-13-004	7/25/2013	\$172

Report Results: The report determined that management needs to improve procedures for administering workers' compensation claims, some HRM personnel were used for collateral duties, nurses were not fully used in case management, specific performance measures did not exist, and HRM staff did not receive adequate training. The OIG recommended management conduct a formal staffing analysis to include using contract nurses for case management, establish district performance measures based on cost reductions, and implement a nationwide work search system and district rehabilitation program committees. The OIG also recommended management establish a standardized quick reference guide, provide automated reminders of key tasks, explore the return-to-work benefits of partnerships with non-profit organizations, and evaluate the use of predictive analytics. Management agreed with the majority of the OIG's recommendations.

<i>Workers' Compensation Data Systems</i>	HR-AR-13-001	12/24/2012	None
---	------------------------------	------------	------

Report Results: The report determined the EHS system does not always provide accurate and reliable information and that management could enhance Injury Compensation Performance Analysis System (ICPAS) reporting functions for effective analysis and decision making. The inaccuracies in EHS system occurred because employees entering data into the system were not always sufficiently trained and did not comply with workers' compensation procedures. In addition, system limitations prevented ICPAS from providing reports that management needs to recognize program deficiencies. The OIG recommended management provide additional training for personnel responsible for entering EHS data, issue supplemental guidance, and enhance internal controls to ensure that responsible officials consistently adhere to claims management procedures. Management agreed with the recommendations.

Appendix B: Office of Workers' Compensation Program Forms

Table 3 describes the CA-1, CA-2, and CA-7 claim forms used to report traumatic injuries, non-traumatic injuries, occupational illnesses or diseases; and to request compensation for time lost at work.

Table 3. OWCP Forms

Form	Form Title	Purpose	Prepared by	When Submitted	Complete Forms Sent to
CA-1	Notice of Traumatic Injury	Notifies supervisor of a traumatic injury and serves as the report to OWCP when (1) the employee has sustained a traumatic injury that is likely to result in a medical charge against the compensation fund; (2) the employee loses time from work on any day after the injury date, whether the time is charged to leave or to continuation of pay; (3) disability for work may subsequently occur; (4) permanent impairment appears likely; or (5) serious disfigurement of the face, head, or neck is likely to result.	Employee or someone acting on employee's behalf; witness (if any); supervisor	By employee within 30 days (but will meet statutory requirements if filed no later than 3 years after the injury); by supervisor within 10 work days following receipt of the form from the employee.	Supervisor by employee or someone acting on employee's behalf; then to appropriate OWCP office by supervisor.
CA-2	Notice of Occupational Disease	Notifies supervisor of an occupational disease and serves as the report to OWCP when (1) the disease is likely to result in a medical charge against the compensation fund; (2) the employee loses time from work on any day after the injury date, whether the time is charged to leave or leave without pay; (3) disability for work may subsequently occur; (4) permanent impairment appears likely; or (5) serious disfigurement of the face, head, or neck is likely to result.	Employee or someone acting on employee's behalf; witness (if any); supervisor	By employee within 30 days (but will meet statutory requirements if filed no later than three years after last exposure to the conditions causing the disease or awareness of a relationship between the disease and federal employment); by supervisor within 10 working days following receipt of the form from the employee.	Supervisor by employee or someone acting on employee's behalf; then to appropriate OWCP office by supervisor.
CA-7	Claim for Compensation	Claims compensation for (1) leave without pay due to injury related disability or absence to obtain medical treatment; (2) repurchase of sick or annual leave used due to injury related disability or absence to obtain medical treatment; (3) loss of wage earning capacity resulting from the work injury; (4) schedule award for permanent impairment resulting from the work injury.	Employee and supervisor or injury compensation specialist	By employee as soon as possible following wage loss or awareness of impairment; by supervisor or injury compensation specialist within 5 work days of receipt from employee.	Supervisor by employee or someone acting on employee's behalf; then to appropriate OWCP office by supervisor.

Appendix C: Management's Comments

JEFFREY C. WILLIAMSON
CHIEF HUMAN RESOURCES OFFICER
AND EXECUTIVE VICE PRESIDENT



March 23, 2016

Lori Lau Dillard
Director, Audit Operations
1735 North Lynn Street
Arlington, VA 22209-2020

SUBJECT: Handling of Office of Workers' Compensation Program Claim Forms
(Project Number 15RG023HR001)

This memorandum responds to your audit report regarding the handling of the Office of Workers' Compensation Program claim forms.

Recommendation 1:

Develop a more comprehensive electronic claims process to ensure claim forms are completed accurately and timely.

Management Response:

USPS management agrees in part with the recommendation. USPS will explore options to develop a more comprehensive electronic claims process. USPS met with the Department of Labor/Office of Workers' Compensation (DOL/OWCP) on March 8, 2016, to discuss implementing ECOMP, the DOL/OWCP's electronic claims processing system. DOL/OWCP informed USPS at this meeting that although it was possible for the USPS to use ECOMP, the system was developed for smaller agencies and the USPS would encounter many obstacles using ECOMP because of the size of our organization. We agree to further investigate other options which may facilitate the ability to electronically process claims and assist with ensuring claim forms are completed accurately and timely.

Target implementation date: March 2017

Responsible management official: Manager, Injury Compensation and Medical Services.

Recommendation 2:

Establish mandatory training to ensure Health and Resource Management specialists are aware of policies and procedures for handling claims processing forms.

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-4000
www.usps.com

Management response:

USPS management agrees with the recommendation. After we complete the actions described in Recommendation 3 below, we will hold mandatory WebEx training with our Headquarters' staff members and District Health and Resource Management (HRM) teams.

Target implementation date: December 2016

Responsible Management Official: Manager, Injury Compensation Field Operations

Recommendation 3:

Establish policies and procedures for revising dates on CA-1, CA-2, and CA-7 claim forms, and date stamping outgoing claim documents.

Management response:

USPS management agrees with the recommendation. USPS has an existing policy and procedure for reviewing CA-1 forms, and will review Handbook EL505 Section 4-4 to ensure it is complete and accurate. USPS will also modify Section 4-9 for reviewing the CA-2 forms and create language for reviewing the CA-7 forms. Language will be added to the Handbook EL505 requiring date stamping outgoing claim documents. The updated procedures will be provided to all Headquarters' staff members and District HRM teams in a mandatory training described in Recommendation 2 above.

Target implementation date: September 2016

Responsible Management Office: Manager, Injury Compensation Field Operations

Recommendation 4:

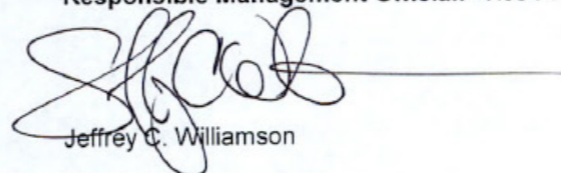
Evaluate the Employee Health and Safety module to enhance usability and efficiency to ensure accidents and incidents are recorded accurately and timely.

Management response:

USPS management agrees with the recommendation. USPS will evaluate the Employee Health and Safety (EHS) system and explore options to enhance usability and efficiency to ensure all accidents are recorded accurately and timely. However, USPS makes no commitment to implementing changes that do not have a return on the investment.

Target implementation: March 2017

Responsible Management Official: Vice President, Employee Resource Management



Jeffrey C. Williamson

cc: Ms. Rettinhouse
Ms. Haring
Corporate Audit and Response Management



OFFICE OF
**INSPECTOR
GENERAL**
UNITED STATES POSTAL SERVICE

Contact us via our [Hotline](#) and [FOIA](#) forms.

Follow us on social networks.

Stay informed.

1735 North Lynn Street
Arlington, VA 22209-2020
(703) 248-2100