



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**RECOMMENDATIONS FOR THE REPORT,
“INSPECTION OF THE U.S.
DEPARTMENT OF THE INTERIOR'S
OCCUPATIONAL SAFETY AND HEALTH
AND WORKERS' COMPENSATION
PROGRAMS,”
(REPORT No. 2015-CR-001)**



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INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

AUG 27 2018

Memorandum

To: Allen Lawrence
Division Chief, Internal Control and Audit Follow-up, Office of Financial Management

From: Amy R. Billings *Amy R Billings*
Central Region Manager for Audits, Inspections, and Evaluations

Subject: Verification Review – Recommendations for the Report, “Inspection of the U.S. Department of the Interior's Occupational Safety and Health and Workers' Compensation Programs,” (Report No. 2015-CR-001)
Report No. 2018-CR-039

The Office of Inspector General (OIG) has completed a verification review of six of the eight recommendations presented in the subject report. Our objective was to determine whether the U.S. Department of the Interior (DOI) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget (PMB). The PFM reported to us when six of our eight recommendations were addressed and provided supporting documentation. Based on our review, we consider four of the eight recommendations (1, 2, 4, and 5) resolved, implemented, and closed. Recommendations 3 and 7 have not been implemented, however, for reasons described herein, we consider them closed.

Background

Our report, “Inspection of the U.S. Department of the Interior’s Occupational Safety and Health and Workers’ Compensation Programs,” dated February 9, 2016, noted that the DOI’s health and safety programs have improved over the years, but there was more to be done. We made eight recommendations designed to help the DOI move toward improved data quality, refined accounting for workers’ compensation costs, and general program management.

The DOI responded to the report’s recommendations in a memorandum dated December 21, 2015, concurring with recommendations 1, 5, 6, and 8, and partially concurring with recommendations 3, 4 and 7. It did not concur with recommendation 2.

On February 26, 2016, we referred all eight of the recommendations to the PFM to track their implementation or resolution. The PFM issued a series of memoranda to us between May 10, 2016, and December 15, 2017, reporting the recommendations as they were implemented and closed. As of April 16, 2018, the PFM reported six recommendations—1, 2, 3, 4, 5, and 7—closed. They are the subject of this verification review. Recommendations 6 and 8 have not been reported as closed and were not part of this review.

Scope and Methodology

We limited the scope of this review to determine whether the DOI implemented the six recommendations reported closed by the PFM. To accomplish our objective, we reviewed the supporting documentation that was provided to the PFM, and collected and reviewed additional supporting documentation as required to independently verify each recommendation's implementation.

We did not test internal controls, visit sites, or conduct fieldwork to determine whether the underlying deficiencies that we initially identified have been corrected. As a result, this review was not conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States or the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

Based on our review, we found that the DOI implemented recommendations 1, 2, 4, and 5. In addition, recommendations 3 and 7 have not been fully implemented, but we determined they should be closed:

Recommendation 1: Reduce or eliminate the number of null or unclassified entries in SMIS to allow for more complete and accurate numbers on each injury type reported by DOI employees.

Actions Taken: The DOI incorporated a safeguard mechanism to the electronic claim form in the Safety Management Information System (SMIS), which will not allow the claim form to proceed or be submitted without required data fields being filled out prior to submission. The form is a three-part claim process that flows through the employee, then the supervisor, and finally the compensation coordinator, which puts more responsibility on the coordinator to verify information. Based on the updates to the system and the increased responsibility of the coordinator, we consider Recommendation 1 resolved, implemented and closed.

Recommendation 2: Standardize the method for counting and reporting the number of volunteers, as well as the amount of time they worked.

Actions Taken: As part of a Secretarial Order issued in 2014 on Engaging the Next Generation, the Office of Human Resources (PHR) issued metric and monitoring guidance to DOI bureaus that included standardized tracking of the number of volunteers and volunteer service hours starting in fiscal year (FY) 2015. Furthermore, the guidance indicates an increasing schedule of mandatory reporting, from the annual reporting in place in FY 2014, to semi-annual reporting required in FY 2015, to quarterly reporting in FYs 2016 and 2017. The supporting documentation provided for closure of the recommendation included this guidance, an email to bureau staff reminding them of the increased reporting requirements in FY 2016, and volunteer data for the first two quarters of FY 2016. Based on the metric and monitoring guidance as well

as the tracking of service hours, we consider Recommendation 2 resolved, implemented and closed.

Recommendation 3: Actively work with the bureaus to require compliance to the policy to allocate workers' compensation costs to the lowest organizational units.

Recommendation 4: Work with the bureaus and offices to develop alternative strategies to increase managerial awareness of the costs associated with safety incidents.

Actions Taken: In our inspection report, we found that in September 2012, the PHR Director issued a policy aimed to assign ownership, increase cost awareness, and encourage future reductions of workers' compensation expenses by requiring the assignment of chargeback costs to the units where the employee sustained the injury or illness. The team found that only two bureaus, the U.S. Bureau of Reclamation (USBR) and the U.S. Geological Survey (USGS), had implemented the policy, and that the DOI had granted policy waivers to the National Park Service (NPS), the U.S. Fish and Wildlife Service (FWS), the Bureau of Safety and Environmental Enforcement (BSEE), and the Bureau of Offshore Energy Management (BOEM) because those bureaus received specific appropriations for workers' compensation and thus, faced significant barriers to implementing the policy. The Bureau of Land Management (BLM), the Bureau of Indian Affairs (BIA), the Office of Surface Mining Reclamation and Enforcement (OSMRE), and the DOI Office of the Secretary (OS) had not implemented the policy, nor did they have a policy waiver. We argued that without implementing the policy *or* alternative strategies that achieve its intent, the DOI had been unable to demonstrate progress.

Currently, the USBR and the USGS are still the only two bureaus in compliance with the policy. The remaining bureaus—the BLM, BIA, OSMRE, and OS—have now been granted policy waivers, and the original policy waivers for the NPS, FWS, BSEE, and BOEM have all been updated. Granting waivers to a policy is not the same as ensuring compliance with the policy, so we do not consider Recommendation 3 to be implemented. Based on the documentation provided in its closure request to PFM, however, which included multiple examples from the bureaus of alternative strategies to increase managerial awareness of the costs associated with safety incidents, we do consider Recommendation 4 to be implemented and the original intent of both recommendations to be met.

Therefore, while we do not consider Recommendation 3 to be fully implemented, we do consider Recommendation 4 implemented, and we consider both recommendations resolved and closed.

Recommendation 5: Revisit the purpose and operation of the Designated Agency Safety and Health Official (DASHO) Council to ensure safety concerns and initiatives receive due attention; roles, responsibilities and authorities are clarified; and decisions are made to effectively manage safety and health programs.

Actions Taken: The DASHO Council and the DASHO revised the DASHO Council Charter to implement this recommendation. The DASHO Council met in November 2017 to review the new revisions and vote to institute the updated charter. The revised charter describes

the duties and responsibilities of the Council, its membership, and its operating procedures. During the meeting, according to the meeting minutes, the Deputy DASHO covered the charter's increased focus on clarifying roles and responsibilities, updating membership, instituting a formal protocol for agenda setting, and defining the new decision control process. Based on the revised charter defining roles and responsibilities, we consider Recommendation 7 resolved, implemented and closed.

Recommendation 7: Establish a full-time position that serves as the DASHO's advocate for health and safety.

Actions Taken: The PHR partially concurred with OIG's recommendation, agreeing that senior-level attention on safety and health is appropriate, but that the Deputy Assistant Secretary (DAS) for Human Capital and Diversity provides adequate attention and a full-time position is not needed. We considered the recommendation unresolved and referred it to the PFM for resolution, noting that having the DASHO positioned at the DAS level does not comply with regulations, nor does it provide sufficient senior-level attention on safety.

29 C.F.R § 1960.6 requires that the DASHO be located at the assistant secretary or equivalent position. Furthermore, we made a similar recommendation to the DOI more than 10 years ago (March 2008) to establish a full-time position that serves as the DASHO's advocate in our audit report "Health and Safety Concerns at the Department of the Interior's Facilities" (Report no. C-IN-MOA-0011-2006). The DOI chose not to create the position, instead establishing monthly forums between the DASHO, Deputy DASHO, and the Office of Safety and Health (OSH) Director. We learned during our 2011 verification review of recommendations in that report¹, that only one forum had taken place and thus we requested the PFM reinstate the recommendation, to which the PFM stated it would not, citing a variety of reasons related to organizational, role, and responsibility changes that took place in 2010.

During our current review, the PFM reiterated the unlikelihood this recommendation would be implemented, citing that the DOI has maintained numerous budget cuts over the past few years and is not able to hire additional staff at this time. We were also told that the previous DAS requested a full-time position before her departure (to another agency) and was denied.

Placing the DASHO at the DAS level does not comply with regulations, nor has the DOI established a full-time position that serves as the DASHO's advocate for safety and health. In light of the PFM's continued stance on this topic, coupled with DOI budget cuts, and the denied request for a full-time position, we consider Recommendation 7 closed but not implemented.

Conclusion

Based on our review, we determined that the DOI met the requirements for Recommendations 1, 2, 4, and 5, and we consider those recommendations implemented and closed. Recommendation 3 and 7 were not implemented, but since the DOI plans to take no

¹ Verification Review of Six Recommendations from our March 2008 Audit Report No. C-IN-MOA-0011-2006 Titled "Health and Safety Concerns at Department of Interior's Facilities"

additional action to implement the recommendations, we consider them to be closed. We informed officials from the DOI and PHR of the results of this review on June 26, 2018.

We would like to thank the DOI for providing information we requested during our review. If you have any questions about this memorandum, please contact me at 303-236-9243.

cc: Olivia Ferriter, Deputy Assistant Secretary for Policy, Management and Budget
Douglas Glenn, Director Office of Financial Management
Alexandra Lampros, Audit Liaison Officer, Office of Financial Management
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