

May 7, 1997

MEMORANDUM FOR THE SECRETARY

FROM: John C. Layton  
Inspector General

SUBJECT: INFORMATION: Report on "Audit of  
Department of Energy Contractor Occupational  
Injury and Illness Reporting Practices"

BACKGROUND:

The Department and its contractors are responsible for ensuring that a safe and healthy work environment is provided to Department and contractor employees at its operating facilities. Contractors are responsible for establishing a comprehensive occupational safety and health program, which includes reporting of significant work-related employee injuries. The Department is responsible for monitoring the implementation of the contractor's programs. Two performance indicators used by the Department to measure a contractor's safety performance are the number and severity of work related employee injuries and of lost workdays rates. The objective of the audit was to determine whether Department of Energy contractors accurately reported occupational injuries and illnesses in accordance with Departmental requirements.

DISCUSSION:

Management and operating contractors were not reporting all significant work-related injuries/illnesses as required by Departmental and Occupational Safety and Health Administration (OSHA) guidelines. The audit identified 111 of 237 judgmentally selected calendar year 1995 cases at the Savannah River and Lawrence Livermore sites that were incorrectly categorized as minor. These cases should have been reported to the Department as significant injuries or illnesses. This underreporting occurred because contractor personnel did not obtain sufficient medical, restricted work activity, or lost worktime information relating to the injury or illness, or they did not properly interpret OSHA reporting requirements. In addition, the Department did not have a systematic process for periodically validating the completeness and accuracy of contractor generated injury and illness data.

Underreporting of injuries and illnesses has been a recurring problem at Department of Energy contract facilities. In December 1990, OSHA found reporting problems at about half of the facilities covered in its review, including underreporting of employee lost workdays and improper application of work restrictions. In 1992, Departmental reviews at the Nevada and Richland Operations

Offices found instances of recordable work restricted duty and medical treatment injury cases that were improperly classified as non-recordable or non-occupational cases. Similar recordkeeping problems were identified in 1992 and 1994 Departmental reviews at Oak Ridge. Further, an October 1996 Departmental review of injury and illness reporting at the Idaho National Engineering Laboratory found significant underreporting by subcontractors and concluded that the subcontractor injury/illness information reported to the Department was unreliable.

Without accurate health and safety information, the Department cannot adequately manage its occupational safety and health programs, measure contractor performance, and ensure that its facilities provide a safe and healthy work environment. In addition, incorrect reporting also could potentially have an impact on contractor fees. The Department is presently developing benchmarks and performance measures to ensure that its facilities follow "best in class" policies and practices. However, without accurate and complete information provided by Departmental contractors, this program may not achieve its intended results.

To strengthen the Department's occupational safety and health program, we recommended that the Managers of the Savannah River and Oakland Operations Offices ensure that their contractors take action to correct the occupational injury and illness recordkeeping problems identified in the report. We also recommended that the Department examine all contractor programs and issue additional guidance delineating OSHA reporting requirements. Management generally concurred with the audit finding and recommendations.

Attachment

cc: Deputy Secretary  
Under Secretary

U.S. DEPARTMENT OF ENERGY  
OFFICE OF INSPECTOR GENERAL

AUDIT OF DEPARTMENT OF ENERGY  
CONTRACTOR OCCUPATIONAL INJURY  
AND ILLNESS REPORTING PRACTICES

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Report No.: DOE/IG-0404  
Date of Issue: May 7, 1997

Capital Regional Audit Office  
Germantown, Maryland 20874

AUDIT OF DEPARTMENT OF ENERGY  
CONTRACTOR OCCUPATIONAL INJURY  
AND ILLNESS REPORTING PRACTICES

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U.S. DEPARTMENT OF ENERGY  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF AUDIT SERVICES

AUDIT OF DEPARTMENT OF ENERGY  
CONTRACTOR OCCUPATIONAL INJURY  
AND ILLNESS REPORTING PRACTICES

Audit Report Number: DOE/IG-0404

SUMMARY

The Department of Energy and its management and operating contractors share responsibility for ensuring that a safe and healthy work environment is provided to Department and contractor employees at its operating facilities. Contractors are responsible for establishing a comprehensive occupational safety and health program at each facility, which includes reporting significant work-related injuries. The Department is responsible for monitoring the implementation of the contractors' programs. The objective of the audit was to determine whether Department of Energy contractors accurately reported occupational injuries or illnesses in accordance with Departmental requirements.

Management and operating contractors were not reporting all significant work-related injuries or illnesses as required by Departmental and Occupational Safety and Health Administration (OSHA) guidelines. Through an analysis of judgmentally selected medical and workers compensation data for three contractors at the Savannah River and Lawrence Livermore sites, the audit identified 111 of 237 calendar year 1995 cases that were incorrectly categorized as minor. These cases should have been reported to the Department as significant injuries or illnesses. This underreporting occurred because contractor personnel did not obtain sufficient medical, restricted work activity, or lost worktime information relating to the injury or illness, or they did not properly interpret OSHA reporting requirements. In addition, the Department did not have a systematic process for periodically validating the completeness and accuracy of contractor generated injury and illness data.

Underreporting of injuries or illnesses has been a recurring problem at Department of Energy contract facilities. In December 1990, OSHA found reporting problems at about half of the facilities covered in its review, including underreporting of employee lost workdays and improper application of work restrictions. In 1992, Departmental reviews at the Nevada and Richland Operations Offices found instances of recordable work restricted duty and medical treatment injury cases that were improperly classified as non-recordable or non-occupational cases. Similar recordkeeping problems were identified in 1992 and 1994 Departmental reviews at Oak Ridge. Further, an October 1996 Departmental review of injury and illness reporting at the Idaho National Engineering Laboratory found significant underreporting by subcontractors and concluded that the subcontractor

injury/illness information reported to the Department was unreliable.

Without accurate health and safety information, the Department cannot adequately manage its occupational safety and health programs, measure contractor performance, and ensure that its facilities provide a safe and healthy work environment. In addition, incorrect reporting also could potentially have an impact on contractor fees. The Department is presently developing benchmarks and performance measures to ensure that its facilities follow "best in class" policies and practices. However, without accurate and complete information provided by Departmental contractors, this program may not achieve its intended results.

To strengthen the Department's occupational safety and health program, we recommended that the Managers of the Savannah River and Oakland Operations Offices ensure that their contractors take action to correct the occupational injury and illness recordkeeping problems identified in the report. We also recommended that the Department examine all contractor programs and issue additional guidance delineating OSHA recording requirements.

Management generally concurred with the finding and recommendations noting that corrective actions have been initiated to improve the occupational injury and illness recordkeeping and reporting process.

\_\_\_\_\_(Signed)\_\_\_\_\_  
Office of Inspector General

## PART I

### APPROACH AND OVERVIEW

#### INTRODUCTION

The Department of Energy is responsible for ensuring that a safe and healthy work environment is provided to Department and contractor employees at its operating facilities. Two performance indicators used by the Department to measure a contractor's safety performance are the total recordable and lost workday case rates. These two indicators are also factors in contractor performance ratings and award and incentive fee determinations.

This audit evaluated the processes used by three management and operating contractors to record and report significant (recordable and reportable) work-related injuries or illnesses to the Department. The objective of the audit was to determine whether Department of Energy contractors accurately reported occupational injuries or illnesses in accordance with Departmental requirements.

#### SCOPE AND METHODOLOGY

Audit fieldwork was performed from March through November 1996 at three of the Department's contractors--the University of California (Lawrence Livermore National Laboratory), Westinghouse Savannah River Company, and Wackenhut Services, Inc. (Savannah River). Contractor selection was based on injury and illness data reported in the Department's Office of Environment, Safety and Health publication entitled "Occupational Injury and Property Damage Summary, January-September 1995." In addition, fieldwork was performed at Departmental Headquarters and the Savannah River and Oakland Operations Offices. We did not, as part of this audit effort, evaluate reporting of injuries and illnesses sustained by Departmental employees.

A review of applicable laws and Departmental orders was conducted to identify reporting requirements for workrelated employee injuries and illnesses. In this regard, it was determined that the Department utilizes the recording requirements established under the Occupational Safety and Health Act and Part 1904 of the OSHA's implementing regulations and guidelines. In addition, interviews with OSHA recordkeeping officials were conducted to obtain their views and interpretations covering various aspects of its regulations and guidelines.

In total, 237 judgmentally selected cases involving injuries or illnesses were examined at two field locations. For each case, contractor medical or workers' compensation information was obtained to determine if the employee's injury was severe enough to warrant medical treatment, work restrictions, or lost worktime. OSHA recordkeeping officials were asked to provide their views on selected cases. Discussions were also held with contractor personnel at Savannah River and Lawrence Livermore to obtain information on selected cases and to gather information on contractor reporting practices.

For selected contractors, OSHA logs were compared to data in the Department's Computerized Accident/Incident Reporting System (CAIRS) and to contractor workers' compensation reports. These comparisons were also made to determine if analytical procedures could be used to identify potential underreporting of significant injuries and illnesses. Since the analysis was based on a judgmental sample, the audit results were not projectable to the total universe of all calendar year 1995 employee injuries or illnesses at the two sites.

The audit was made in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Accordingly, we assessed internal controls relating to contractor compliance with Departmental reporting requirements for contractor employee injuries and illnesses occurring at Departmental facilities. The audit did not significantly rely on computer-processed data in CAIRS. Limited testing of the data disclosed only minor differences between contractor OSHA records and computerprocessed information. Because our review of internal controls was limited, it would not necessarily have

disclosed all internal control and compliance deficiencies that may have existed.

We discussed our finding with responsible Departmental Headquarters and field office officials during the course of the audit. An exit conference was held with the Savannah River and Oakland Operations Offices on April 3, 1997. The Assistant Secretary for Environment, Safety and Health, however, waived the exit conference.

#### BACKGROUND

The Secretary's Fiscal Year 1995 and 1996 Performance Agreements with the President identified environment, safety and health as one of four factors critical to successfully realizing the Department's mission. In accordance with these agreements, the Department emphasizes prevention and excellence in worker protection, public safety and health, and achieving environmental standards. In addition, the Secretary established lost workday case rates as a critical safety performance measure for the Department.

The Department and its management and operating contractors share responsibility for ensuring that a safe work environment is provided to the 155,000 contractor employees that work at Departmental facilities. Contractors are responsible for establishing a comprehensive occupational safety and health program at each facility, which includes reporting of significant work-related injuries and illnesses. The Department is responsible for monitoring the implementation of the contractors' programs.

Work-related injury and illness reporting involves several major steps. Significant incidents are initially recorded on contractor maintained OSHA logs. Information contained in these logs include: when the incident occurred, the nature of the injury or illness, and whether there were any lost or restricted workdays. Contractor information provided to the Department for input into CAIRS describes how the injury or illness occurred, the nature of the injury, the accident causes, and corrective actions taken. Contractors, for calendar year 1995, reported 5,243 significant employee injuries or illnesses to the Department.

CAIRS is a Department centralized system that accounts for significant work related injuries and illnesses reported by the Department's contractors. Information compiled in CAIRS, such as rates of recordable injuries and illnesses and lost work days is used by the Department to develop site specific safety indicators. CAIRS data is also used to identify trends in injury and illness data in an attempt to reduce future work-related accidents.

#### OBSERVATIONS AND CONCLUSIONS

Management and operating contractors were not reporting all significant work-related injuries or illnesses as required by

Departmental and OSHA guidelines. Through an analysis of medical and workers' compensation data at two sites, the audit identified 111 out of 237 calendar year 1995 cases that were incorrectly categorized as minor (not recordable or reportable). These cases should have been reported to the Department as significant injuries or illnesses. The underreporting occurred because contractor personnel did not obtain sufficient medical, restricted work activity, or lost worktime information relating to the injury or illness, or they did not properly interpret OSHA reporting requirements.

Underreporting of injuries and illnesses has been a recurring problem at Department of Energy contract facilities. In December 1990, OSHA found reporting problems at about half of the facilities covered in its review, including underreporting of employee lost workdays and improper application of work restrictions. In 1992, Departmental reviews at the Nevada and Richland Operations Offices found instances of recordable work restricted duty and medical treatment injury cases that were improperly classified as non-recordable or non-occupational cases. Similar recordkeeping problems were identified in 1992 and 1994 Departmental reviews at Oak Ridge. Further, an October 1996 Departmental review of injury/illness reporting at the Idaho National Engineering Laboratory found significant underreporting by subcontractors and concluded that the subcontractor injury/illness information reported to the Department was unreliable.

Without accurate health and safety information, the Department cannot adequately manage its occupational safety and health programs, measure contractor performance, and ensure that its facilities provide a safe and healthy work environment. The Department is presently developing benchmarks and performance measures to ensure that its facilities follow "best in class" policies and practices. However, without accurate and complete information provided by Departmental contractors, this program may not achieve its intended results.

To strengthen the Department's occupational safety and health program, we recommended that the Managers of the Savannah River and Oakland Operations Offices ensure that their contractors take action to correct the occupational injury and illness recordkeeping problems identified in the report. We also recommended that the Department examine all contractor programs and issue additional guidance delineating OSHA reporting requirements. Until these actions are taken, contractor underreporting of work-related injuries and illnesses should be considered a material weakness and reported by the Department in preparing its yearend assurance memorandum on internal controls.

Management generally concurred with the finding and recommendations noting that corrective actions have been initiated to improve the occupational injury and illness recordkeeping and reporting process.

## FINDING AND RECOMMENDATIONS

### Contractor Occupational Injury and Illness Reporting Practices

#### FINDING

The Department of Energy requires its contractors to record all significant work-related injuries and illnesses in accordance with the Department of Labor's OSHA recordkeeping regulations and guidelines and report them to the Department. However, three of the Department's contractors--the University of California (Lawrence Livermore National Laboratory), Westinghouse Savannah River Company, and Wackenhut Services (Savannah River)--did not report all significant work-related calendar year 1995 injuries or illnesses as required. Forty-seven percent of the cases reviewed represented significant work-related injuries or illnesses that were not reported to the Department. Similar problems were previously reported at several sites by OSHA and the Department. The underreporting occurred because of weak internal controls, system deficiencies, and implementation problems. Without complete and accurate injury and illness data, the Department could not ensure that contractors provided a safe and healthy work environment for employees working at Department of Energy facilities. In addition, the Department could not measure the contractors' safety performance. Therefore, award or incentive fee determinations based on injury or illness reporting as a performance measure were questionable.

#### RECOMMENDATIONS

1. We recommend that the Assistant Secretary for Environment, Safety and Health strengthen the Department's occupational injury and illness recordkeeping and reporting by taking the necessary actions to ensure that field element managers:

Conduct for cause reviews to verify that (1) contractor reporting processes are effective, and (2) contractors are reporting work-related injuries and illnesses in accordance with Departmental reporting requirements.

Establish quality assurance indicators that would identify potential underreporting of significant contractor employee injuries and illnesses.

2. We also recommend that the Assistant Secretary for Environment, Safety and Health issue supplemental guidance to all field elements that clearly delineates OSHA's criteria for recording work-related injuries and work restrictions.

3. We recommend that the Managers of the Savannah River and Oakland Operations Offices ensure that their contractors incorporate all medically-related information in their injury and illness reporting process.

## MANAGEMENT REACTION

The Assistant Secretary for Environment, Safety and Health and the Managers of the Savannah River and Oakland Operations Offices generally concurred with the audit finding and recommendations and stated that corrective actions have or will be taken to improve the occupational injury and illness reporting process. Also, management's responses contained suggested changes that have been addressed, where appropriate, in the report.

## DETAILS OF FINDING

### RECORDKEEPING AND REPORTING REQUIREMENTS

The Department's management and operating contractors are required to record and report all significant work-related employee injuries and illnesses. The Department of Energy Environment, Safety and Health Reporting Manual requires contractors to record "occupational fatalities, injuries, and illnesses occurring among their employees while performing work at DOE-owned or-leased facilities." Furthermore, contractors are required to report all significant work-related injuries and illnesses to the Department through CAIRS. The reporting criteria used by the Department defines a significant reportable work-related incident as one that results in (1) loss of consciousness, illness, or death; (2) medical treatment (other than first aid); (3) restriction of work or motion; and (4) transfer to another position.

### CONTRACTOR RECORDKEEPING AND REPORTING

Management and operating contractors did not report all significant injuries or illnesses to the Department. An analysis of medical and workers' compensation information disclosed underreporting at two Departmental facilities. Prior reviews at other sites disclosed similar problems. Contractor Underreporting

The contractors at the Lawrence Livermore National Laboratory and the Savannah River Plant incorrectly designated significant work-related injuries or illnesses as either minor or non-work-related and did not report these injuries or illnesses to the Department. Specifically, the contractors failed to report significant work-related and reportable injuries in 47 percent of the judgmentally selected cases examined. These incidents included work related injuries requiring medical treatment, workers' compensation benefits to cover employee medical bills and/or lost worktime, or employees being assigned to less strenuous position. Detailed information describing the types of significant injuries classified as minor incidents at each of the individual contractors is presented below.

Lawrence Livermore National Laboratory

The Lawrence Livermore National Laboratory incorrectly designated 85 out of a sample of 144 injuries or illnesses (59 percent) as non-reportable first aid cases. Thirty-nine of these 85 cases were disclosed through a review of medical records and the other 46 were identified through a review of workers' compensation claim information. In all 85 instances, injured or ill employees received medical treatment, lost work time, and/or were placed on work restrictions applicable to the employees normal work duties by medical personnel. Examples of unreported medical treatment injuries with lost or restricted workdays included:

- o An employee injured his right forearm while moving pine trees at work. The injury required surgery to decompress a nerve in his forearm. The employee's surgery, physical therapy, and medications cost the contractor over \$8,500. In addition, the employee received over \$1,100 in temporary disability for 102 days.
- o An employee tore a ligament in his right knee jumping down from a truck bed to stop a moving forklift. The injury required surgery to repair the knee. The contractor paid over \$25,000 in medical and disability payments for surgery, physical therapy, and medication. The employee was on temporary disability for 110 days.

The second incident, however, was not reported to the Department until a subsequent contractor review was performed. These and other similar cases were improperly treated as first aid cases by the contractor and were not recorded in accordance with OSHA requirements or reported to the Department.

#### Savannah River Plant

Similar incorrect designations and reporting problems were identified at two Savannah River contractors. An analysis of 93 judgmentally selected calendar year 1995 employee injuries or illnesses disclosed that the contractors incorrectly recorded 26 of these cases (28 percent) as minor or non-work related events.

In these 26 instances, information obtained from medical records or workers' compensation claim files indicated that the employees received treatment beyond what OSHA regulations and guidelines consider to be first aid treatment. The injured employees received multiple doses of prescription medication, underwent a medical procedure, or were restricted from performing work activities they would normally perform.

The following examples illustrate instances where the contractor improperly designated an employee's injury as minor first aid treatment or non-work-related. In each instance, information obtained from medical records and workers' compensation claim files indicated that the injuries resulted from a work activity and that the employee either received medical care, was placed on work restricted duty

applicable to their job by medical personnel, or was assigned to less strenuous job duties.

- o A security officer was performing a one-half mile fitness evaluation run at work, which was required as a condition of his employment as an armed guard, when he encountered chest pains. The employee was transported by ambulance from the job site to a local hospital for observation and treatment. The employee was treated at the hospital with prescription medication and a medical procedure (angioplasty) was subsequently performed to clear a blocked vessel. The employee was off work for over 2 weeks and received disability pay. When he returned to work, the employee was temporarily assigned to unarmed guard duties for several months prior to returning to his normal job duties. The contractor designated this injury as non-work-related on the basis that the problem was not caused by any job related incident but rather because of poor eating habits and exercise.
- o A welder was walking at work and slipped on a wet step injuring his lower back. On his initial visit to the onsite medical department, the employee was given a single dose of prescription medication. The treating physician restricted the employee to no heavy lifting and instructed him to avoid excessive bending. The employee returned to the medical department the next day and was given prescription medication to be taken twice daily for his injury.

We discussed the injury/illness recordkeeping issue with Savannah River Operations Office safety and health officials. These officials conducted a subsequent detailed assessment of Westinghouse's calendar year 1995 injury/illness recordkeeping. Their review identified reporting problems similar to those disclosed by this audit. Savannah River officials selected and reviewed a "smart sample" of 22 calendar year 1995 first aid log cases and found 8 instances where the injury was not reported in accordance with OSHA and Departmental criteria. Two cases involved employees who received multiple doses of prescription medication and another six cases involved employees who were placed on restricted work activities applicable to their jobs.

#### Prior Site Reviews

Underreporting of occupational injuries or illnesses was not confined to the Savannah River Plant and the Lawrence Livermore National Laboratory. Reviews of contractor occupational injury and illness recordkeeping and reporting at other Departmental field activities found that underreporting had been a continuing problem. For example, in December 1990 OSHA reported serious job related injury and illness recordkeeping problems at about half of the Department of Energy facilities covered in its recordkeeping reviews. These problems included underreporting of lost workdays and use of work restrictions to avoid lost worktime

injury reporting. Specifically:

- o At one facility, the actual Lost Workday Incident (LWDI) rate was three times higher than the facility reported. Based on OSHA's review of the injury and illness records, the recorded LWDI rate of .086 for a 2-year period should have been 2.57.
- o At a multi-employer facility, 3 different contractors failed to record 120 cases over a 6-month period.
- o At another facility, 72 cases were either not recorded or were misrecorded for the 6-month period. OSHA, as a result of this review of Departmental operations, observed that:

Accurate accident reporting is particularly important because contractor performance award fee ratings in safety and health are often tied to injury and illness statistics (recordable cases and/or the lost workday incidence rate). Several contractors provide performance awards to managers or supervisors based on the numbers of recordable cases. Many problems stem from the adoption of injury and illness rates as safety and health program goals and objectives.

In 1992, as a followup to the OSHA review, Departmental Headquarters (the Office of Environment, Safety and Health) conducted assessments of contractor occupational injury and illness recordkeeping and reporting at the Oak Ridge, Nevada, and Richland Operations Offices and found instances of contractor underreporting of occupational injuries and illnesses. For example, an Oak Ridge contractor employee suffered a heart attack on the job, which was not reported as required.

More recent Departmental reviews found that contractors were continuing to underreport occupational injuries and illnesses. A 1994 assessment by the Oak Ridge Operations Office found that many recordable cases were improperly classified as non-recordable (first aid or non-occupational) cases. The assessment also identified several lost workday cases that were not properly recorded. An October 1996 review of injury and illness reporting at the Idaho National Engineering Laboratory was conducted by the Office of Environment, Safety and Health's Office of Oversight. The management and operating contractor's recordkeeping and reporting of occupational injuries and illnesses were found to be acceptable. However, construction subcontractors incorrectly classified 4 of the 14 first aid cases examined. The Headquarters review concluded that subcontractor underreporting was a significant problem because the data on the OSHA 200 log and in the Department's CAIRS system, for those subcontractors, was unreliable.

The extent of potential underreporting was also highlighted by a comparison of OSHA logs to workers' compensation claims for calendar year 1995. The comparison showed significant differences in the data for two of the Department's largest

contractors. For instance, Lawrence Livermore National Laboratory's contractor, the University of California, reported only 393 injuries and illnesses despite having 704 workers' compensation claims. An Oak Ridge contractor (Lockheed Martin Energy Systems) recorded 578 injuries and illnesses on its OSHA log although there were 663 workers' compensation claims filed-- a difference of 85 cases.

#### QUALITY ASSURANCE PROCESS NEEDS STRENGTHENING

Departmental contractors underreported calendar year 1995 work-related injuries or illnesses because of weak internal controls, system deficiencies, and implementation problems. Specifically, its quality assurance decision-making process did not ensure that (1) all pertinent medical record and workers' compensation information relating to an employee's injury or illness was collected and considered prior to making their recordkeeping decision, and (2) OSHA requirements for recording significant injuries or illnesses were properly interpreted. In addition, the Department did not have a quality assurance mechanism that validated the accuracy or completeness of contractor employee injury and illness data.

#### Injury Reporting Processes

Contractor injury/illness reporting processes at the University of California, Westinghouse, and Wackenhut did not ensure that medical treatment and lost/restricted worktime information were obtained from onsite medical departments. Medical department personnel were required to notify injury recordkeeping and reporting officials of initial and follow-up medical care and whether work restrictions were placed on or lost worktime was incurred by the injured employee. However, onsite medical departments frequently did not provide injury recordkeeping officials with all relevant medical treatment and lost/restricted worktime information.

A review of workers' compensation cases, designated as minor injuries by the University of California, disclosed that 46 of these claims represented injuries where the employee received workers' compensation benefits for multiple prescriptions, physical therapy sessions, and/or surgery. Any of these medical treatments made the injury a reportable incident under OSHA and Departmental reporting requirements. In another 12 instances, injury recordkeeping and reporting officials were not informed by medical personnel that the employees were placed on work-restricted duty or lost work time due to a work-related injury.

Lawrence Livermore officials agreed that there was a lack of communication between the medical department and the safety and health office relating to employee injuries and illnesses. In a November 1996 letter to the Office of Inspector General, Lawrence Livermore advised that to correct this problem reporting officials now have on-line access to the medical services data base system and to bimonthly updates of workers' compensation claims data. They said that this will ensure

accurate injury/illness reporting by enabling reporting officials to have full knowledge of data in those two records. Contractor reporting officials also indicated that as part of their efforts to improve reporting of 1996 injury data, they reviewed approximately 600 employee injuries or illnesses that occurred in the first 10 months of 1996. This effort resulted in the reclassification of 67 non-reportable (minor) cases as reportable (significant) injuries or illnesses.

Like the University of California, Savannah River medical department personnel also did not always notify recordkeeping officials of medical treatment provided to injured Westinghouse and Wackenhut employees. Westinghouse reported to the Savannah River Operations Office that it recognizes the importance of maintaining timely communication between the medical and safety (recordkeeping) departments, and it was pursuing ways to improve communications such as the use of checklists and follow-up reports.

#### Misinterpretations of OSHA Guidance

Underreporting of injuries or illnesses also occurred because two of the three contractors reviewed misinterpreted OSHA guidance. According to OSHA recordkeeping guidelines, injuries and illnesses that happen on the employer's premises are "presumed to be work-related" unless proven otherwise. OSHA recordkeeping officials stated that not establishing a work relationship was not in itself sufficient justification for classifying an injury as nonwork-related if a workplace event or exposure could have caused or contributed to the injury or illness. Savannah River's contractors, however, did not follow this guidance. Throughout discussions on individual injury/illness cases, Westinghouse and Wackenhut officials indicated that if a work relationship could not be established, the injury/illness was not reportable.

The discussion of the following case illustrates the difference in reporting approaches. A laborer, in this instance, reported to the onsite medical department on a Monday complaining of lower back pain that he said was caused by lifting water barrels at work the prior week. Westinghouse classified the event as non-occupational on the basis that the employee over the weekend was lifting newspaper bundles, which may have caused the back pain. In a signed statement, however, the employee declared that the injury had not occurred at home. After reviewing the facts, OSHA officials told us that this case was reportable because work relationship was presumed unless the contractor could prove otherwise.

#### Department Quality Assurance Review Process

In addition to the above factors that contributed to underreporting, the Department did not have a systematic process for periodically validating the completeness and accuracy of contractor generated injury/illness data. Further, the Department did not fully utilize analytical procedures to identify potential underreporting.

Savannah River and Oakland Operations Office officials advised us that they did not, as a matter of practice, periodically review medical and workers' compensation records to determine if contractors reported all significant injuries and illnesses. Savannah River personnel stated that they had reviewed contractor recordkeeping systems in the past, but they did not generally review employee medical or workers' compensation records. An Oakland Operations Office official told us that the Department relies heavily on CAIRS for information on work-related injuries and illnesses and stated that if one or two contractors are not fully reporting injuries and illnesses, the information is not very useful to the Department because of the reporting inconsistencies. This official also indicated that to his knowledge the Oakland Operations Office had not conducted any reviews of the University of California's injury/illness reporting practices.

Further, the Department did not always utilize analytical procedures to identify potential contractor injury/illness underreporting. For instance, the Oakland Operations Office did not compare total injuries and illnesses on contractor maintained OSHA logs to CAIRS and workers' compensation claims filed. As discussed previously, such comparisons would have highlighted situations where injury/illness underreporting may have occurred.

#### IMPACT ON DEPARTMENTAL ADMINISTRATION

Without complete and accurate information, the Department could not adequately manage its occupational safety and health program and ensure that its contractors provided a safe and healthy work environment. In addition, the Department could not measure its contractor safety performance since the number and severity of work-related employee injuries and lost workdays were incorrect. According to a Departmental safety office director, accurate injury/illness reporting was extremely important to the entire safety and health program. The safety official stated that the Department used this data to develop performance indicators and to gauge the safety and health performance of individual contractors. However, incomplete and inaccurate injury and illness data limited the Department's ability to effectively monitor contractor occupational safety and health programs. In essence, the ability of the Department to measure contractor performance was no better than the data upon which such assessments were based.

Incorrect reporting could also have a potential impact on contractor fees. For example, on October 1, 1996, the Department awarded Westinghouse a new performance-based contract for the Savannah River Site. The performance-based evaluation plan for this new contract stated in part that ". . .the contractors general management incentive fee is significantly dependent on planning and implementing activities, programs, and changes thereto so that the environment and health of the public and employees are protected and operational requirements are met." An Office of Inspector General audit report issued in

October 1993, further underscored the potential impact of incorrect reporting on contractor fees. The report, WR-B-94-01, "Audit of Kaiser Engineers Hanford Company's Award Fee," disclosed that the Department overpaid the contractor up to \$300,000 in award fees because the field office relied on occupational injury and illness data reported by the contractor that significantly understated the extent of these injuries and illnesses. Underreporting of injuries and illnesses, at other sites, could similarly effect contractor award and incentive fee determinations.

### PART III

#### MANAGEMENT AND AUDITOR COMMENTS

The Assistant Secretary for Environment, Safety and Health and the Managers of the Savannah River and Oakland Operations Offices generally agreed with the finding and recommendations. Management at Departmental Headquarters and the two operations offices cited specific corrective actions that have or will be taken to resolve the occupational injury and illness reporting problems identified in this report. Also, management's responses contained suggested changes that have been addressed, where appropriate, in the report. A summary of management's comments and our responses follows. The Appendix contains the Assistant Secretary's verbatim comments on the report.

Recommendation 1. The Assistant Secretary for Environment, Safety and Health strengthen the Department's occupational injury and illness recordkeeping and reporting by taking the necessary actions to ensure that field element managers:

Conduct for cause reviews to verify that (1) contractor reporting processes are effective, and (2) contractors are reporting work-related injuries and illnesses in accordance with Departmental reporting requirements.

Establish quality assurance indicators that would identify potential underreporting of significant contractor employee injuries and illnesses.

Management Comments. The Assistant Secretary for Environment, Safety and Health plans to carry out recommendation 1 by sending a memorandum to field element office managers requesting that they (1) review and validate occupational reporting and recordkeeping processes to verify compliance with Departmental requirements, and (2) establish quality assurance systems to identify potential injury/illness underreporting and identify areas for improvement, and (3) establish an advisory group to work with field offices to improve injury and illness recordkeeping and reporting. The Assistant Secretary will discuss the report finding and proposed actions to resolve the reporting problems with the Secretary.

Auditor Comments. Management's comments are responsive to the recommendation.

Recommendation 2. The Assistant Secretary for Environment, Safety and Health issue supplemental guidance to all field elements that clearly delineates OSHA's criteria for recording work-related injuries and work restrictions.

Management Comments. The Assistant Secretary for Environment, Safety and Health intends to issue OSHA criteria for reporting work related injuries/illnesses and work restrictions.

Auditor Comments. Management's comments are responsive to the recommendation.

Recommendation 3. The Managers of the Savannah River and Oakland Operations Offices ensure that their contractors incorporate all medically related information in their injury and illness reporting process.

Management Comments. The Savannah River and Oakland Operations Offices stated that their offices are taking corrective actions to strengthen the recordkeeping and reporting process. Both offices plan to conduct periodic assessments of contractor recordkeeping and reporting processes to ensure accurate occupational injury and illness reporting. The Oakland Operations Office stated that it will quarterly reconcile contractor medical and workers' compensation information with data provided by Lawrence Livermore to the Department. This office also will work with Lawrence Livermore to ensure that the contractor spends the time and resources necessary to improve the quality of data gathering and decision making. Oakland also noted that Lawrence Livermore has taken actions since this review to improve their recordkeeping and reporting process such as weekly meetings and exchange of information between medical, workers' compensation, and recordkeeping personnel, and additional training on CAIRS reporting. Savannah River noted that contractor medical and recordkeeping personnel now conduct periodic meetings to ensure that all medically related information is incorporated into the injury/illness reporting process. Savannah River also noted that the medical department's internal procedure is also being revised to provide better occupational injury and illness medical treatment data to recordkeeping personnel. In addition, Savannah River's medical department is implementing a computerized system to track all medical records that will provide recordkeeping personnel with online access to medical treatment information and improve communications between medical and recordkeeping staff.

Auditor Comments. Management's comments are responsive to the recommendation.

#### PART IV

#### OTHER MATTERS

Access to University of California Records

During the audit, an access to records problem surfaced relating to the Department's authority to obtain and review University of California medical and injury/illness records at the Lawrence Livermore National Laboratory. These records, owned by the University, were needed by the auditors to verify injury/illness information. Since the University is a California state institution, these particular records fall under the disclosure provisions specified in State of California privacy laws.

This matter was resolved, through a specific agreement relating to this audit, between Department, University of California, and Office of Inspector General officials. However, this one-time resolution may not provide a workable solution for future situations.

The Department is currently renegotiating its contracts with the University of California. In a September 1996, memorandum to Departmental officials, the Deputy Inspector General for Audit Services noted that the renegotiation process provides the Department with an opportunity to clarify this matter. He recommended incorporating language contained in the proposed Department Acquisition Rulemaking that modifies 48 Code of Federal Regulations parts 917, 950, 952, and 970. The Office of Inspector General believes this change would ensure full access to records pertinent to Departmental operations, even those owned by the contractor.

Appendix

March 28, 1997

Occupational Safety and Health Policy:Macon:3-6096

COMMENTS REGARDING DRAFT REPORT ON "AUDIT OF DEPARTMENT OF ENERGY (DOE) CONTRACTOR INJURY AND ILLNESS REPORTING PRACTICES"

Gregory H. Friedman  
Deputy Inspector General for Audit Services, IG-30

We have reviewed the initial draft report on the subject audit, and generally agree with your finding and recommendations. As noted in your report, accurate occupational injury and illness reporting and recordkeeping is vital to the Department.

The first sentence under "Recommendations" on page five should be reworded as follows: "We recommend that the Assistant Secretary for Environment, Safety and Health take action to strengthen the Department's occupational injury and illness reporting and recordkeeping, and that all field element managers:"

We plan to take the following actions in response your recommendations:

- o Within 45 days, my office will distribute a memorandum to the field element managers asking them, within 6 months, to (1) review occupational injury and illness reporting and recordkeeping processes to validate that they are in compliance with Department of Energy requirements; and (2) establish quality assurance systems to identify potential underreporting of occupational injury and illnesses and identify areas for improvement. I will request that the results be reported to me.
- o My office will also distribute within 45 days the Occupational Safety and Health Administration's criteria for reporting work related injuries and illnesses and restrictions.
- o We will establish an occupational injury and illness recordkeeping and reporting advisory group in my Office of Worker Health and Safety. This group will work with the field elements to improve injury and illness recordkeeping and reporting.
- o We will discuss the results of your findings with the Secretary, including the actions my office is taking to resolve the deficiencies.
- o My office will pass your suggestion regarding the current contract renewal negotiations to the Office of Defense Programs and the Oakland Operations Office.

We appreciate the information provided in your report and will utilize it to help strengthen the injury and illness recordkeeping program. If you have any questions regarding these comments, please contact Marty Mathamel in the Office of Worker Health and Safety. Mr. Mathamel can be reached at (301) 903-4343.

/s/ Peter N. Brush  
 Tara O'Toole, M.D., M.P.H.  
 Assistant Secretary  
 Environment, Safety and Health

IG Report No. \_\_\_\_\_

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