

**BLBA BULLETIN NO 14-10**Issue Date: August 1, 2014

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Expiration Date: Indefinite

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**Subject:** Spot Audits of Proposed Decision and Orders

**Background:** When evaluating a claim for benefits under the Black Lung Benefits Act, the District Director/Claims Examiner must carefully analyze the evidence in the record to determine the claimant's eligibility prior to issuance of a Proposed Decision and Order (PDO) awarding or denying benefits. The PDO must be thorough, well-reasoned, and consistent with the applicable statutes, regulations, and policies. The Division of Coal Mine Workers' Compensation (DCMWC) is responsible for ensuring that PDOs are of high-quality and are just and accurate. To achieve that goal, supervisory oversight of decisions proposed by Claims Examiners and a vigorous review process within DCMWC are essential.

In the past, DCMWC's ability to fairly and effectively adjudicate black lung claims has been evaluated through the Accountability Review process conducted in District Offices in alternate years. In recent months, however, the process for determining eligibility under the Act – including the procedures for gathering evidence, adjudicating claims, and defending claim decisions – has come under increased public scrutiny. Consequently, to further ensure the quality of claim decisions, the Office of Workers' Compensation Programs (OWCP) will supplement the Accountability Review process with Spot Audits of a limited number of PDOs that address the merits of the underlying claim for benefits. The audit will review PDOs that have been certified by a District Office supervisor (or other assigned reviewer) and are ready for issuance. This effort reflects management's determination to enhance the quality and integrity of decisions and focus DCMWC staff's attention on improving the decision process.

**References:** 20 CFR 718.101; 20 CFR 725.351(a); 20 CFR 725.405(d)

**Purpose:** To provide guidance for District Office management on procedures for conducting and reporting Spot Audits performed on claims that are under the jurisdiction of the District Director so as to further enhance the Accountability Review process.

**Applicability:** DCMWC District Directors and appropriate DCMWC Personnel.

**Action:** 1. Beginning August 1, 2014, Spot Audit cases will be selected from PDOs, prepared by Claims Examiners, that consider the claim on the merits and that have been certified by a District Office supervisor as ready for release.

2. The initial Spot Audits will involve review of 257 PDOs prepared by the District Offices - approximately 5% of all pending claims. Until an automated selection protocol is developed, PDOs for audit should be identified as follows: the District Director will select a day or days in each month; the first PDOs meeting the Spot Audit criteria on the selected day(s) will be audited. The number of PDOs to be audited in each District Office is listed below. The assignment of audits is proportional to the number of claims pending at each District Office:

- ❖ Charleston District Office: 41 claims/year - Target: 3 per month for 7 months followed by 4 per month for 5 months
- ❖ Columbus District Office: 20 claims/year - Target: 2 per month for 8 months followed by 1 per month for 4 months
- ❖ Greensburg District Office: 7 claims/year - Target: 1 per month for 7 months
- ❖ Johnstown District Office: 49 claims/year - Target: 4 per month for 11 months followed by 5 per month for 1 month
- ❖ Lakewood District Office: 8 claims/year - Target: 1 per month for 8 months
- ❖ Mount Sterling District Office: 26 claims/year - Target: 2 per month for 10 months followed by 3 per month for 2 months
- ❖ Parkersburg District Office: 20 claims/year - Target: 1 per month for 4 months followed by 2 per month for 8 months
- ❖ Pikeville District Office: 86 cases/year - Target: 7 per month for 10 months followed by 8 per month for 2 months.

3. All cases in which the medical evidence contains a diagnosis of Complicated Coal Workers' Pneumoconiosis will be included in the Spot Audit, regardless of whether the PDO awards or denies benefits. These cases are in addition to the aforementioned cases randomly selected for audit. District Offices will be reviewing the number of claims listed above plus any claims containing evidence diagnosing Complicated Coal Workers' Pneumoconiosis.

The Spot Audits to be conducted by the District Directors will provide data for quality control and analysis purposes. Results of the District Director's reviews will be reported in the Quarterly Review and Analysis Reports. The reports will address the number of decisions that meet and do not meet the quality criteria as well as any corrective actions deemed appropriate, as outlined in the attached Spot Audit Worksheet and Standard 3 of the Accountability Review Standards and Procedures Guide.

Please contact Gerald Delo ([Delo.Gerald@dol.gov](mailto:Delo.Gerald@dol.gov)) if you have any questions.

Disposition: Retain this Bulletin until further notice or its incorporation into the Black Lung Benefits Procedure Manual.



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