



# U.S. CENSUS BUREAU

## Census Bureau Realignment Did Not Fully Meet Stated Goals and Reimbursable Agreements Are Not Managed Adequately

FINAL REPORT NO. OIG-16-004-A  
OCTOBER 22, 2015

U.S. Department of Commerce  
Office of Inspector General  
Office of Audit and Evaluation

**FOR PUBLIC RELEASE**





October 22, 2015

**MEMORANDUM FOR:** John H. Thompson  
Director  
U.S. Census Bureau

**FROM:**   
Carol N. Rice  
Assistant Inspector General for Economic  
and Statistical Program Assessment

**SUBJECT:** *Census Bureau Realignment Did Not Fully Meet Stated Goals  
and Reimbursable Agreements Are Not Managed Adequately*  
Final Report No. OIG-OIG-16-004-A

Attached is our final audit report on the Census Bureau's regional office alignment and field management reforms. Our audit included two objectives: (1) identify and assess the benchmarks—including the manner in which response rates are calculated and reported on surveys such as the American Community Survey—that the Bureau is using to assess the success of the realignment effort and assess whether or not the Bureau is achieving its cost savings and efficiency goals; and (2) assess the impact of the realignment on survey sponsors and customers and determine whether external sponsoring agencies and internal Census Bureau offices are satisfied with the survey content and design process, survey administration, data quality, cost, and any other issues deemed important.

We identified internal control deficiencies in the Bureau's process for managing reimbursable agreements with external sponsoring agencies. Also, regional office staff are not utilizing tools meant to monitor survey quality and cost. We also found that the Bureau did not retain documentation to support the realignment cost-saving estimate—based on the reduced number of regional offices and staff—that it had developed to justify the realignment. As a result, the Bureau could not support that estimated cost savings had been achieved. Finally, the Bureau did not develop benchmarks to determine whether its quality and efficiency goals were achieved.

In response to our draft report, the Bureau concurred with our recommendations. We have summarized the Bureau's response and included its entire formal response in appendix E. The final report will be posted to OIG's website pursuant to section 8M of the Inspector General Act of 1978, as amended.

In accordance with Department Administrative Order 213-5, please provide your action plan within 60 days of the date of this memorandum. We appreciate the assistance and courtesies extended to us by Bureau management and staff.

We appreciate the assistance and courtesies extended to us by the Bureau. If you have any questions about this report, please contact me at (202) 482-6020 or Terry Storms, Supervisory Auditor, at (202) 482-0055.

**Attachment**

cc: Nancy A. Potok, Deputy Director and Chief Operating Officer, Census Bureau  
Colleen T. Holzbach, Program Manager for Oversight Engagement, Census Bureau  
Pamela Moulder, Senior Program Analyst, Economics and Statistics Administration



# Report In Brief

OCTOBER 22, 2015

## Background

Immediately following the 2010 decennial census, senior Bureau officials and the 12 regional directors determined that, in order to maintain a high-quality survey operation and to proactively plan for decreased funding, a restructuring of the Bureau's regional operations was needed. To that end, a reduction in the number of regional offices and changes to the management of data collection activities would better position the Bureau to reduce costs and achieve operational efficiencies, and the realignment was scheduled for completion by January 2013.

## Why We Did This Review

We conducted this audit of the Bureau's regional office realignment and field management reforms from June 2014 to February 2015 to identify and assess the benchmarks that the Bureau is using to assess the success of the realignment effort; to assess whether or not the Bureau is achieving its cost savings and efficiency goals; and to determine the impact of the realignment on survey sponsors and customers to ascertain whether external sponsoring agencies and internal Census Bureau offices are satisfied with the survey content and design process, survey administration, data quality, cost, and other issues deemed important.

To accomplish our objectives, we interviewed management to determine if metrics were identified prior to realignment; reviewed skills of new post-realignment employees; assessed the Bureau's methods for estimating and tracking survey costs; and ascertained if staff are fully using tools to improve response rates and data collection efficiency.

## U.S. CENSUS BUREAU

### Census Bureau Realignment Did Not Fully Meet Stated Goals and Reimbursable Agreements Are Not Managed Adequately

OIG-16-004-A

## WHAT WE FOUND

*Reimbursable agreements are not adequately managed.* The Bureau has not developed effective controls for estimating and documenting survey cost estimates and reporting anticipated and actual costs to survey sponsors. We found instances where, as noted in a prior OIG audit report, employees working on surveys may not be charging salary costs appropriately. As a result, the Bureau may be over- or undercharging survey sponsors; the process for developing survey cost estimates is not consistent; and survey sponsors are not receiving the information needed to compare costs to budgeted amounts and make management decisions, such as questioning survey costs.

*The Bureau is not monitoring survey costs and failed to research interview anomalies.* After reviewing data quality reports for all six regional offices—and conducting site visits with staff in the Atlanta and New York regional offices to assess their processes for monitoring and improving survey performance—we determined that regional office staff are not fully utilizing all tools available to reduce survey costs and improve data quality. Specifically, we found that most regional office survey statisticians are neither fully utilizing the Bureau's Unified Tracking System nor monitoring survey costs, despite performance plans that emphasize both. In addition, our review of the Bureau's FY 2014 data quality indicator reports regarding the Department of Justice's National Crime Victim Survey identified several instances where field representatives were flagged for items requiring supervisory attention, yet supervisors took no action to investigate these issues.

*The Bureau Could Not Support That Estimated Cost Savings Have Been Achieved and Did Not Develop Measureable Goals to Improve Efficiency and Data Quality.* Although the Bureau identified cost savings goals, it was unable to demonstrate that the goals were achieved. In addition, the Bureau did not document measureable efficiency and data quality goals with assumptions. Therefore, the Bureau is unable to demonstrate to survey sponsors and Congress that its realignment goals were achieved.

## WHAT WE RECOMMEND

We recommend that the Director of the Census Bureau

1. implement steps to ensure that time charged by Census employees in WebTA reflects actual work performed on specific surveys.
2. develop policies and procedures, which define (a) the methods for estimating reimbursable agreement costs, (b) the level of detail required for reporting actual costs of reimbursable agreements to survey sponsors, and (c) how often cost reports should be provided to survey sponsors.
3. improve survey cost and quality monitoring by (a) establishing measurable cost and quality standards, (b) consolidating monitoring systems to avoid duplicate capabilities and reduce costs, (c) prioritizing the implementation of all surveys in the Unified Tracking System and ensuring that all regional office survey statisticians are trained on system capabilities, and (d) instituting periodic time frames for supervisory review of the cost and quality reports and taking corrective action before the next survey cycle.
4. calculate the costs of the realignment, using net change in personnel and lease costs, to confirm whether actual cost savings occurred and will continue to be realized.

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*COVER: Detail of fisheries pediment,  
U.S. Department of Commerce headquarters,  
by sculptor James Earle Fraser, 1934*

# Introduction

Along with its data collection efforts associated with the decennial census, the Census Bureau collects and provides data about the people and economy of the United States throughout the decade through a variety of surveys and censuses. To accomplish this, the Bureau manages a nationwide staff responsible for gathering data by personal visit or telephone, for its own surveys as well as for other government agencies and institutions.

Immediately following the 2010 decennial census, senior Bureau officials and the 12 regional directors determined that, in order to maintain a high-quality survey operation and to proactively plan for decreased funding, a restructuring of the Bureau's regional operations was needed.<sup>1</sup> The Bureau's field structure, consisting of 12 regional offices, had been in place since 1961. The Bureau justified the realignment by explaining that "the survival of our survey business requires changes at headquarters and in the field." In its June 2011 reprogramming request to Congress, the Bureau stated that a reduction in the number of regional offices and changes to the management of data collection activities would better position the Bureau to reduce costs and achieve operational efficiencies. Congress approved the request on July 28, 2011, and the realignment was determined by Census officials to be complete by January 2013.

In planning the realignment, more than 20 regional office reconfigurations were considered. Ultimately, it was decided that reducing the number of regional offices from 12 to 6 was optimal (see table I, next page). The Bureau estimated that the realignment would affect 330 employees with a net loss of approximately 115 to 130 positions nationally. The Bureau expected the realignment to reduce annual survey costs by about \$18 million, beginning in fiscal year (FY) 2014. Also, the realignment was designed to achieve workload equality across the six remaining regional offices, shift supervisory responsibilities from the regional offices to the field, and reorganize the survey management structure within the regional offices. (See appendix C for a comparison of the pre- and post-realignment configurations of the Bureau's regional offices; and see appendix D for the pre- and post-realignment management structure and descriptions of survey positions.)

In FY 2015, the Bureau will have spent about \$280 million on its Census Bureau-funded surveys, such as the American Community Survey and the Survey of Income and Program Participation. The Bureau also enters into interagency agreements for reimbursable surveys, conducting work on a full cost recovery basis.<sup>2</sup> During FY 2015 the Bureau anticipates it will have spent \$315 million to conduct several reimbursable surveys for other federal, state, and local agencies, such as the Current Population Survey, Consumer Expenditure Survey, and the New York City Housing and Vacancy Survey (NYCHVS). (See appendix tables B.1 and B.2 for listings of these Census Bureau-funded and reimbursable surveys and their estimated costs in FY 2015.) Surveys are managed and conducted by staff at the Bureau's headquarters in Suitland, Maryland, its six regional offices, and its three call centers in Maryland, Indiana, and Arizona.

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<sup>1</sup> The senior Bureau officials included the Director, Deputy Director, Associate Director for Field Operations, and Chief of Field Division.

<sup>2</sup> The Bureau is authorized to conduct special statistical compilations and surveys for other federal and state agencies under United States Code, Title 13, section 8(b).

**Table I. Status of the Census Bureau's Regional Offices After Realignment**

| Remaining Offices | Closed Offices      |
|-------------------|---------------------|
| Atlanta           | Boston              |
| Chicago           | Charlotte           |
| Denver            | Dallas              |
| Los Angeles       | Detroit             |
| New York          | Kansas City, Kansas |
| Philadelphia      | Seattle             |

Source: U.S. Census Bureau.

# Objectives, Findings, and Recommendations

Our audit of the Bureau's regional office realignment and field management reforms included two objectives:

1. identify and assess the benchmarks—including the manner in which response rates are calculated and reported on surveys such as the American Community Survey—that the Bureau is using to assess the success of the realignment effort and assess whether or not the Bureau is achieving its cost savings and efficiency goals; and
2. assess the impact of the realignment on survey sponsors and customers and determine whether external sponsoring agencies and internal Census Bureau offices are satisfied with the survey content and design process, survey administration, data quality, cost, and any other issues deemed important.

For information regarding our scope and methodology, see appendix A.

We identified internal control deficiencies in the Bureau's process for managing reimbursable agreements with external sponsoring agencies. Also, regional office staff are not utilizing tools meant to monitor survey quality and cost. We also found that the Bureau did not retain documentation to support the realignment cost-saving estimate—based on the reduced number of regional offices and staff—that it had developed to justify the realignment. As a result, the Bureau could not support that estimated cost savings had been achieved. Because previous managers did not document the assumptions they used to calculate estimated savings from the realignment, the actual cost savings provided to OIG during the audit were calculated by subsequent managers in a different manner. Finally, the Bureau did not develop benchmarks to determine whether its quality and efficiency goals were achieved.

## I. Reimbursable Agreements Are Not Adequately Managed

The Bureau has not developed effective controls for estimating and documenting survey cost estimates and reporting anticipated and actual costs to survey sponsors. We found instances where, as noted in a prior OIG audit report, employees working on surveys may not be charging salary costs appropriately.<sup>3</sup> As a result,

- the Bureau may be over- or undercharging survey sponsors,
- the process for developing survey cost estimates is not consistent, and
- survey sponsors are not receiving the information needed to compare costs to budgeted amounts and make management decisions, such as questioning survey costs.

During our audit, some survey sponsors expressed concerns with the management of reimbursable surveys.

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<sup>3</sup> U.S. Department of Commerce Office of Inspector General, May 21, 2014. *The Census Bureau Lacks Accurate and Informative Cost Data to Guide 2020 Census Research through a Constrained Budget Environment*, OIG-14-021-A. Washington, DC: DOC OIG.

### A. *The Bureau's Processes for Charging Time Are Inadequate*

During our review, we found that some employees do not consistently charge salary costs based on the time actually spent working on a specific survey. According to the Department of Commerce's *Accounting Principles and Standards Handbook*, reimbursable agreements are conducted on a full cost recovery basis.<sup>4</sup> Full cost recovery standards require that all direct and indirect costs associated with conducting a survey be recorded based on actual costs. Actual costs are recorded in the accounting system in a separate account for each survey. Time spent by employees working on a reimbursable agreement should be recorded as a direct cost of that agreement during each pay period that an employee works on a survey.

Bureau headquarters provide each regional office with an operating plan identifying the number of days to be charged to each survey during the upcoming fiscal year. Regional office managers add the names of their employees to the operating plan with the number of days they will work on each survey. Some employees work exclusively, and have all of their time allocated to, a single survey. However, other employees have their time divided between multiple surveys. We compared the time charged by all Program Coordinators supervising multiple surveys to the number of surveys they manage.

Coordinators oversee data collection activities for at least 12 surveys and directly supervise the regional office and field survey statisticians.<sup>5</sup> We found that coordinators only charge their time, via the Department's Web Time and Attendance payroll system (WebTA), to a subset of the surveys they manage (see table 2, next page).<sup>6</sup> Some coordinators stated that they charge their time based on their budgeted allocations, as opposed to actual hours worked on each survey.

We also found examples of other employees—such as regional office survey statisticians, clerks, and recruiters—charging time based on budgeted allocations as opposed to actual hours worked on each survey. For example, the NYCHVS, sponsored by the New York City Department of Housing Preservation and Development, is conducted every three years to comply with New York state and New York City's rent regulation laws. During the 2011 NYCHVS, at least two Census Bureau employees worked on the NYCHVS but charged their time to another project.

As a result of employees charging time based on budgeted amounts, as opposed to time actually spent working on a specific survey, survey sponsors may be over- or undercharged. In addition, if these erroneously recorded costs are used to develop future survey budgets, inaccurate figures will be included in the reimbursable agreement.

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<sup>4</sup> DOC, September 2011. *Accounting Principles and Standards Handbook*, Washington, DC: DOC, <http://www.osec.doc.gov/ofm/Accounting/cover.html> (accessed April 29, 2015). See Chapter 11, "Fees and Revenues," and Chapter 12, "Managerial Cost Accounting."

<sup>5</sup> Regional office survey statisticians manage specific surveys conducted through their regional office. Field survey statisticians manage approximately 12 field supervisors.

<sup>6</sup> WebTA is a web-based time and labor system that allows employees to input and certify time, and supervisors to approve leave requests and certify time cards, online, all in one system. WebTA information updates the accounting system, where final costs are recorded.

For example, if a survey sponsor was undercharged for work on a survey in a particular year, there might be an underestimation of costs for the next survey and a subsequent funding shortfall once it is under way, thus requiring the Bureau to either request additional funding from the survey's sponsor or reduce its deliverables. Since the Bureau does not track the actual time (as opposed to the budgeted time) its employees work on a specific survey, the information needed to quantify the amounts that may have been erroneously billed to a survey sponsor is not available. Although past OIG and Government Accountability Office reports have highlighted similar weaknesses related to the Census Bureau's charging practices, the weaknesses persist.<sup>7</sup>

**Table 2. Discrepancies Between the Estimated Number of Surveys Managed and the Number of Surveys Charged by Program Coordinators**

| Regional Office | Coordinator Identifier | Number of Surveys Charged | Number of Surveys Managed, Based on Operating Plan |
|-----------------|------------------------|---------------------------|--|
| Atlanta         | A                      | 5                         | 12   |
|                 | B                      | 4                         | 12   |
|                 | C                      | 7                         | 12   |
| New York        | D                      | 5                         | 12   |
|                 | E                      | 3                         | 12   |
|                 | F                      | 8                         | 12   |
| Chicago         | G                      | 6                         | 12   |
|                 | H                      | 5                         | 12   |
|                 | I                      | 10                        | 12   |
| Los Angeles     | N                      | 10                        | 12   |
|                 | O                      | 5                         | 12   |
|                 | P                      | 8                         | 12   |
| Denver          | Q                      | 4                         | 12   |
|                 | R                      | 7                         | 12   |
|                 | S                      | 10                        | 12   |
| Philadelphia    | J                      | 8                         | 12   |
|                 | K                      | 0                         | 12   |
|                 | L                      | 3                         | 12   |
|                 | M                      | 7                         | 12   |

Source: OIG analysis of U.S. Census Bureau information.

<sup>7</sup> U.S. General Accounting Office, October 4, 2001. *2000 Census Better Productivity Data Needed for Future Planning and Budgeting*. GAO-02-4. Washington, DC: GAO, and DOC OIG, May 21, 2014. *The Census Bureau Lacks Accurate and Informative Cost Data to Guide 2020 Census Research through a Constrained Budget Environment*, OIG-14-021-A. Washington, DC: DOC OIG.

### *B. The Bureau Has Not Developed Adequate Controls over Survey Cost Estimates*

The Census Bureau has not developed adequate internal controls over survey cost estimates. This condition exists because the Bureau has not developed policies and procedures for survey directors or participating divisions<sup>8</sup> to follow when estimating survey costs. As a result we found survey costs are inconsistently developed or calculated and may not include all cost considerations.

For example, some divisions participating in surveys do not prepare a cost estimate, even when asked to do so by survey directors. In these instances, survey directors estimate costs based on the previous year's agreement amounts, adjusting for salary or workload. Based on issues noted in finding I.A., cost estimates based on previous agreements may be inaccurate since some employees do not charge their time accurately. Other participating divisions, however, do provide estimates. But, since there is no prescribed estimate format, the information provided by these divisions is inconsistently detailed.

Cost estimates are the basis for determining the amount of each reimbursable agreement. Based on issues noted in finding I.A, including employees charging time based on budgeted allocations as opposed to actual hours worked on each survey, an inaccurate cost estimate may result in overcharges to a survey sponsor or prevent the Bureau from achieving full cost recovery for an interagency agreement. Some Census Bureau projects, based on inaccurate cost estimates, have experienced cost overruns. The Bureau may not be able to complete all deliverables specified in an agreement without receiving additional funding from the survey sponsor.

A proper control environment for estimating survey costs would include a policy that prescribes methods that the Bureau's participating divisions can use to create consistently detailed and formatted cost estimates for use in developing accurate budgets for reimbursable agreements. Because the Bureau lacks such a policy for estimating survey costs, the cost estimate process is not transparent. Survey directors are often unable to provide survey sponsors with accurate cost estimate data. This deficiency could prevent survey sponsors from making informed decisions about survey design (such as sample reductions) when it comes to responding to funding constraints.

### *C. The Bureau Does Not Consistently Provide Survey Sponsors with Sufficiently Detailed Standardized Cost Reports*

Although most survey sponsors receive monthly cost reports from the Bureau, the information included in these reports is not presented in a consistent format. Specifically, it may not provide the level of detail needed for the survey sponsor to monitor costs against budgeted amounts. In order for survey sponsors to make effective management decisions, they need sufficiently detailed cost information to monitor

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<sup>8</sup> Participating divisions are unique groups within Census that contribute to the completion of surveys, such as the field division and the national processing center.

expenditures and assess the effectiveness of survey operations. For example, some reports include costs summarized by project code, rather than breaking them out in more detail provided in other reports, such as by participating division, object class, and full-time equivalent. Given the cost issues noted in finding I.B, survey sponsors should be provided with sufficiently detailed reports that will allow them to identify and question potential cost overruns and to assess compliance with full cost recovery requirements.

A few survey sponsors do not receive any cost reports from the Bureau. One example is the NYCHVS. In March 2014, Census Bureau personnel met with NYCHVS management and did not report any funding issues at that time. However, the following month the Bureau realized that, although the data collection portion of the survey was only 60 percent complete, there were insufficient funds remaining to complete the survey as specified in the interagency agreement.

Thus, the current NYCHVS—originally estimated to cost \$7.8 million—has incurred cost overruns that are projected to total \$2.3 million by the end of the agreement’s term in 2016. The survey’s sponsor had to contribute an additional \$1.3 million to fund the survey. The NYCHVS survey director informed us that it is unclear whether the Bureau will be able to reduce its costs by \$1 million by the end of the period of performance in December 2016, and that the Census Bureau may consequently be unable to complete all deliverables that are specified in the agreement. The NYCHVS’s sponsor neither requested nor received cost reports, but instead relied on the Census Bureau to sufficiently monitor the survey’s costs and to notify it of any potential problems. For the remainder of the current agreement term and going forward, the NYCHVS’s sponsor plans to request periodic cost reports from the Census Bureau in order to more closely monitor the survey’s expenditures.

## II. The Bureau Is Not Monitoring Survey Costs and Failed to Research Interview Anomalies

In its explanation to sponsors for the realignment of its regional offices, the Bureau stated that

Improved Management and Information Systems and tools will maintain high data quality and support increased efficiency and lower costs. Key performance and cost metrics will be used to ensure transition is meeting customers’ requirements.<sup>9</sup>

During our audit, we reviewed data quality reports for all six regional offices and conducted site visits with staff in the Atlanta and New York regional offices to assess their processes for monitoring and improving survey performance. As a result of this work, we determined that regional office staff do not fully utilize all tools available to reduce survey costs and improve data quality. Specifically, we found that most regional office survey statisticians are

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<sup>9</sup> PowerPoint presentation by Census Bureau to the Bureau of Labor Statistics, July 2011.

neither fully utilizing the Bureau's Unified Tracking System (UTS) nor monitoring survey costs, despite performance plans that emphasize both.<sup>10</sup>

Bureau staff utilize a different system, called Giant Panda, to monitor data quality for the Department of Justice's National Crime Victim Survey.<sup>11</sup> Giant Panda produces reports that identify interview anomalies. However, our review of FY 2014 data quality indicator reports generated by Giant Panda identified several instances where field representatives were flagged for items requiring supervisory attention, yet supervisors took no action to investigate these issues.

#### *A. Regional Office Survey Statisticians Are Not Performing Required Monitoring Duties*

The Bureau developed the UTS to collect survey information from several sources—such as the survey interview instrument and payroll and accounting systems—and to consolidate this information into reports that can be used to monitor survey cost and quality. The UTS includes four major types of reports: progress, data quality, data collection effort, and cost. The UTS provides users with a view over time and across surveys. The UTS was implemented in FY 2012, and in FY 2014 it cost the Bureau \$2.1 million for operations and maintenance. According to Bureau officials, the UTS was necessary because, without it, supervisors did not have the ability to efficiently:

- track the cost, progress, and quality of a case from sample selection through post-data collection processing for surveys and censuses,
- access a single source to monitor case/workload cost, progress, and quality across collection modes on a near real-time basis, or
- access a single source for cost, progress, and quality data for responsive design decision making.

Even though supervisors have the ability to monitor survey cost, progress, and quality with the UTS, we found that only 2 out of 21 regional office survey statisticians we interviewed actually do so. Additionally, most regional office survey statisticians rely on other systems to complete their daily duties, which include monitoring survey cost, quality, and progress.

Our analysis of UTS usage reports shows that usage levels are lower than expected for regional office survey statisticians, a position specifically created during the regional office realignment to monitor survey cost and progress (see figure 1, next page). According to their performance plans, the regional office survey statisticians are expected to use the UTS at least once per day. We compared actual UTS usage reports, covering all surveys and report types, for the six regional offices during the period of June–November 2014. We found use of the UTS by the regional office survey statisticians to have been significantly lower than the 1,300 uses per regional office that

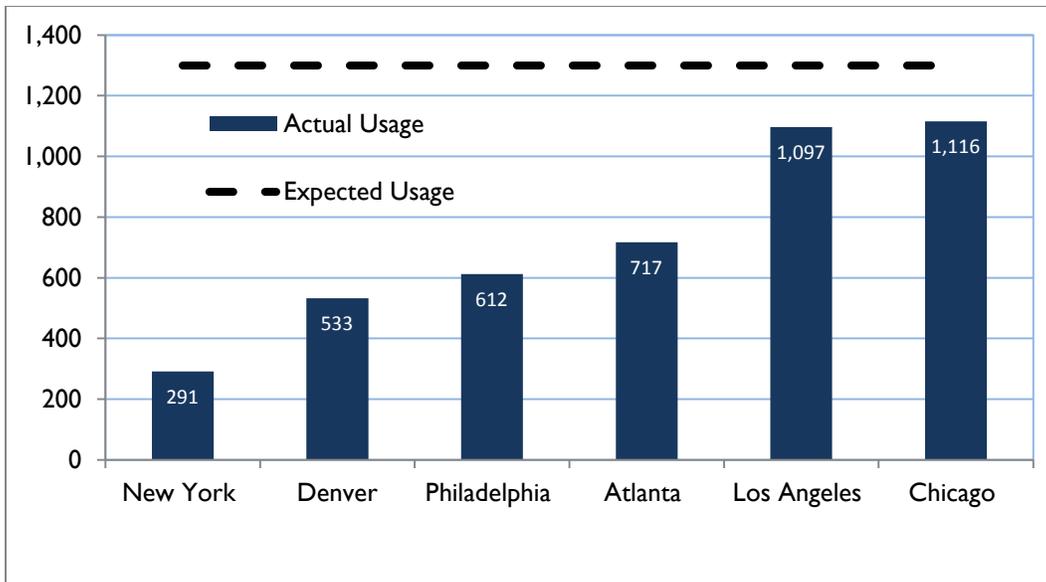
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<sup>10</sup> The Unified Tracking System is a data warehouse that provides indicators of cost, progress, and data quality over time, across surveys, and from different data capture sources at one time.

<sup>11</sup> Giant Panda Reports are summary reports that contain data quality indicator information used by Bureau staff to monitor survey performance.

would have been expected during this time period if each statistician used the UTS at least once each work day.<sup>12</sup>

**Figure 1. Actual Versus Expected UTS Usage by Regional Office Survey Statisticians, June–November 2014 (Number of Uses Recorded)**

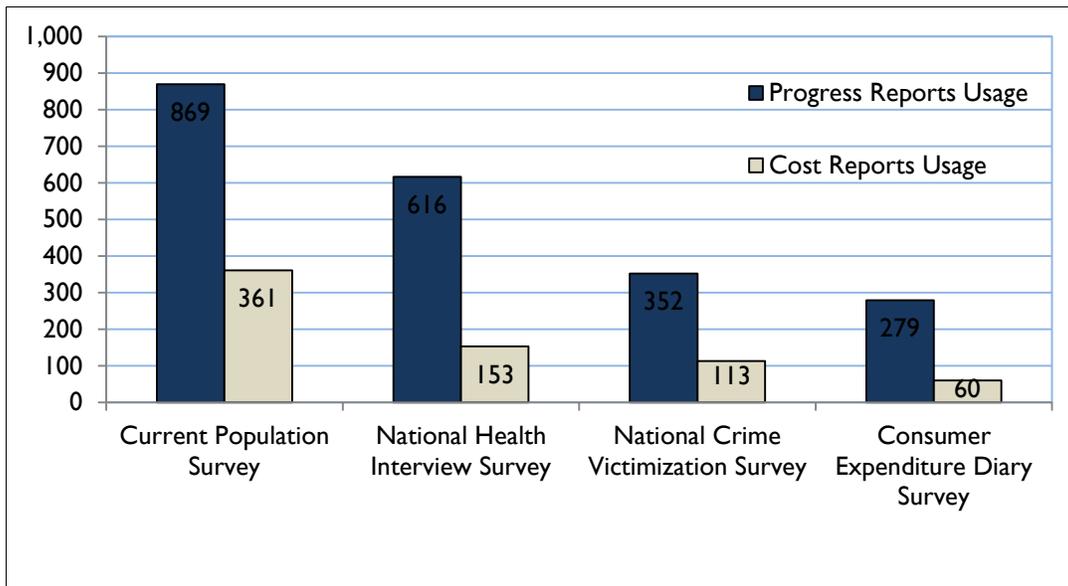


Source: OIG analysis of UTS data.

The UTS usage reports were also analyzed to compare the use of progress and cost reports summarized by survey. We compared the progress and cost usage reports of four surveys for the six regional offices during the period of June through November 2014. We found that regional office survey statisticians are not monitoring survey cost reports as often as progress reports (see figure 2, next page).

<sup>12</sup> This figure of 1,300 is arrived at by presuming 10 regional office survey statisticians in the regional office (each producing one UTS report each day), multiplied by 5 work days a week, multiplied by 26 (the number of weeks between June and November 2014). Thus:  $10 \times 1 \times 5 \times 26 = 1,300$ . For clarity, this figure does not include holidays or leave because the majority of regional offices fall well below the expected number of uses.

**Figure 2. UTS Usage by Regional Office Survey Statisticians for Determining Progress and Cost, by Survey, June–November 2014<sup>a</sup>**



Source: OIG analysis of UTS data.

<sup>a</sup> Usage is measured by the number of unique times that the cost and progress reports were accessed.

Most regional office survey statisticians monitor survey progress reports more often than cost reports because management sets benchmarks for the rate of completion (for example, 25 percent of cases completed by day seven of the interview period) but not for survey cost. Effective cost management is further hindered because some surveys, such as the National Ambulatory Medical Care Survey and National Hospital Ambulatory Medical Care Survey, are not included in the UTS.

Many supervisors continue to use other systems, such as the Regional Office Survey Control (ROSCO) system, because they are familiar with them. ROSCO provides supervisors with near real-time progress data, unlike the UTS, which is only updated once each day. However, the UTS contains cost data, while ROSCO does not. As such, supervisors who rely on ROSCO and do not use the UTS are unable to monitor survey costs and thus identify potential cost overruns in a timely manner. If these monitoring systems have duplicate capabilities, the Bureau could consolidate the systems to reduce costs.

**B. *The Bureau Did Not Ensure That Quality Data Was Collected on the National Crime Victimization Survey***

As discussed previously, the Bureau's Giant Panda system is used to monitor and improve the data quality of the Justice Department's National Crime Victimization Survey. Giant Panda produces regional office summary reports that contain data quality indicators, which are used by the regional office staff to monitor survey performance. These reports provide data quality indicators for every field representative who is collecting data for the survey. The Department of Justice identifies critical data quality

indicators—such as the amount of time it takes an interviewer to conduct a survey—that are used to assess the quality of the data. Failure to meet certain thresholds may indicate poor data quality.

The Bureau uses a monthly data quality feedback report that contains summary data from six Giant Panda reports and highlights data quality indicators that require immediate supervisory attention. In reviewing the reports for October 2013 and January, September, and October 2014, we found issues that were flagged but on which no action had been taken by Bureau management (see table 3).

The Bureau stated that its regional offices were allowed to skip submitting data quality feedback reports for several months in 2014, since this time period overlapped with the preparation of annual performance reviews. But, by ignoring data quality issues for this length of time, the Bureau was not able to ensure that it consistently collected quality data for the National Crime Victimization Survey.

**Table 3. Issues with National Crime Victimization Survey Field Representatives That Were Flagged, but on Which No Action Was Taken, 2013–2014**

| Number of Incidents | Reason   | Explanation of Issue  |
|---------------------|--|---|
| 266                 | Field representative completed interview in less than 2 minutes.   | Short interview times raise concerns about data quality, because the interview should, at a minimum, last 3.5–4 minutes. Short interview times suggest that a field representative is skipping cues, which can lead to possible inaccurate or falsified data. |
| 9                   | Field representative completed interviews overnight (between 12:00 a.m. and 7:00 a.m.).                          | Overnight interviews raise concerns about data quality, as there is a greater probability that interviews completed overnight are falsified.  |
| 448                 | Field representative started interviews on or after the 20th day of the month, which turned into non-interviews. | Non-interviews raise concerns about data quality, because they lower the response rate of the survey.   |

Source: OIG analysis of Census data quality feedback reports for October 2013 and January, September, and October 2014.

### III. The Bureau Could Not Support That Estimated Cost Savings Had Been Achieved and Did Not Develop Measureable Goals to Improve Efficiency and Data Quality

The Bureau's realignment aimed to reduce costs, increase efficiency, and improve data quality. Although the Bureau identified cost savings goals, it is unable to demonstrate that the goals were achieved. In addition, the Bureau did not document measureable efficiency and data quality goals with assumptions. Therefore, the Bureau is unable to demonstrate to survey sponsors and Congress that its realignment goals were achieved.

Our review of the Bureau's estimate of cost savings resulting from the realignment found that the Bureau expected to reduce survey costs by \$17.8 million annually beginning in FY 2014. This cost savings figure was presented to survey sponsors, as well as Congress, during briefings held in July 2011. However, the Bureau was unable to provide us with the assumptions and supporting documentation that were used in 2011 to calculate the estimated savings of \$3 million in lease costs and \$14.8 million in personnel costs. In addition, the Bureau was unable to replicate the 2011 cost savings estimate, stating that their previous attempts at recalculating it were unsuccessful. Consequently, when we asked the Bureau to calculate actual cost savings realized in FY 2014, current Bureau management used a different measure to estimate personnel cost savings—this time using a reduction in overhead costs charged to survey sponsors—which resulted in an estimate of \$5 million in personnel cost savings in FY 2014. However, even when combined with an estimated \$2 million savings in lease costs, the total estimated cost savings of \$7 million is; (1) well below the 2011 estimate of \$17.8 million; (2) not comparable to the original estimate, because different methodologies were used; and (3) may not actually reflect true cost savings, since a reallocation of direct and indirect costs could result in an overhead rate decrease but in no actual cost reduction. As a result, the Bureau cannot demonstrate that the realignment achieved the cost savings presented to sponsors and Congress.

In addition, in letters to the House and Senate Subcommittees on Commerce, Justice, Science, and Related Agencies in June 2011, the Department of Commerce stated that the goals of the realignment were to “reduce costs and realize operational efficiencies.”<sup>13</sup> We requested documentation related to pre-determined goals for improved efficiency and data quality. However, the Bureau was unable to provide this information because no target goals that could be measured against actual results were developed. Without documentation, assumptions, and pre-determined goals, the Bureau cannot demonstrate that the realignment achieved the increased efficiency and improved data quality goals presented to survey sponsors and Congress.

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<sup>13</sup> Department of Commerce Chief Financial Officer and Assistant Secretary for Administration Scott Quehl, letters to the House and Senate Subcommittees on Commerce, Justice, Science, and Related Agencies, June 28, 2011.

## *Recommendations*

We recommend that the Director of the Census Bureau

1. implement steps to ensure that time charged by Census Bureau employees in WebTA reflects actual work performed on specific surveys.
2. develop policies and procedures, which define (a) the methods for estimating reimbursable agreement costs, (b) the level of detail required for reporting actual costs of reimbursable agreements to survey sponsors, and (c) how often cost reports should be provided to survey sponsors.
3. improve survey cost and quality monitoring by (a) establishing measurable cost and quality standards, (b) consolidating monitoring systems to avoid duplicate capabilities and reduce costs, (c) prioritizing the implementation of all surveys in the Unified Tracking System and ensuring that all regional office survey statisticians are trained on system capabilities, and (d) instituting periodic time frames for supervisory review of the cost and quality reports and taking corrective action before the next survey cycle.
4. calculate the costs of the realignment, using net change in personnel and lease costs, to confirm whether actual cost savings occurred and will continue to be realized.

# Summary of Agency Response and OIG Comments

We received the Census Bureau's comments on the draft report, which we included as appendix E of this final report. The Bureau concurred with all 4 recommendations.

In response to finding I, the Bureau stated that the implementation of MS Project Server should reinforce the correct charging of time through the use of Activity-Based Management Principles. However, as we previously communicated to Census Bureau management, in order to ensure that time is charged accurately, MS Project Server must be reconciled to the WebTA system.

In response to finding III, the Bureau provided a new estimate of the cost savings resulting from the realignment. We want to emphasize that Census Bureau management provided the estimated cost savings of \$7 million during the course of this audit and that we are unable to validate the new calculated estimate of \$22.2 million provided in the response to the draft report.

# Appendix A: Objectives, Scope, and Methodology

The objectives of this audit were to

1. identify and assess the benchmarks—including the manner in which response rates are calculated and reported on surveys such as the American Community Survey—that the Census Bureau is using to measure the success of realignment effort, and assess whether or not the Bureau is achieving its cost-savings and efficiency goals.
2. assess the impact of the realignment on survey sponsors and customers. Determine whether external sponsoring agencies and internal Census Bureau offices are satisfied with the survey content and design process, survey administration, data quality, costs, and any other issues deemed important.

To accomplish our objectives we

- interviewed directorate management to determine if metrics were identified prior to the realignment that will measure whether the realignment achieved its goals (for example, in reduced cost, improved quality, and greater efficiency and responsiveness).
- reviewed skills for new positions created after the realignment by analyzing requirements in job announcements, and interviewed employees in new positions to determine whether they possess the requisite skills.
- assessed whether or not the Bureau is achieving its cost-savings and efficiency goals by reviewing the Bureau's methodology for estimating the cost savings and validating the estimate.
- obtained an understanding of how survey costs and reimbursable revenues are recorded, and reviewed supporting documentation.
- assessed the Bureau's methods for estimating and tracking survey costs by interviewing survey directors and comparing cost reports to the Commerce Business System.
- tested for compliance with provisions of the Department of Commerce's *Accounting Principles and Standards Handbook*, Chapter 11, Section 4.0.
- assessed whether staff are fully utilizing tools to improve response rates and data collection efficiency, reduce survey cost, and improve quality, by conducting site visits and staff interviews at the New York and Atlanta regional offices and by reviewing usage reports covering all regional offices.

Further, we gained an understanding of internal controls significant within the context of the audit objectives by interviewing officials at the Bureau and reviewing documentation for

evidence of internal controls. Based on this, we identified an internal control weakness: specifically, deficiencies in the Bureau's process for managing reimbursable agreements. Finally, our work found no instances of fraud, illegal acts, or abuse. We tested computer-generated data used to perform this audit by reviewing existing information about the information systems, performing reasonableness tests, and obtaining corroborating evidence. From these efforts, we believe the information we obtained is sufficiently reliable for this report.

We conducted this audit from June 2014 to February 2015 and performed fieldwork in Washington, DC, Atlanta, and New York. The audit was conducted under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated April 26, 2013. We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

## Appendix B: Census Bureau Surveys

**Table B.I. Estimated Reimbursable Survey Obligations in FY 2015  
(millions of dollars)<sup>a</sup>**

| Survey   | Estimated Obligation |
|--|----------------------|
| <b>American Housing Survey</b><br>Sponsored by the Department of Housing and Urban Development. Provides a current and continuous series of data on selected housing and demographic characteristics.  | \$54.5               |
| <b>Current Population Survey</b><br>Sponsored jointly by the Census Bureau and the Department of Labor. The primary source of labor-force statistics for the population of the United States.  | \$53.0               |
| <b>National Crime Victimization Survey</b><br>Sponsored by the Department of Justice. The nation's primary source of information on criminal victimization.  | \$30.4               |
| <b>Consumer Expenditure Survey</b><br>Sponsored by the Bureau of Labor Statistics. Provides information on the buying habits of U.S. consumers, including data on their expenditures, income, and consumer unit characteristics.                                   | \$28.7               |
| <b>National Health Interview Survey</b><br>Sponsored by the Department of Health and Human Services. The principal source of information on the health of the civilian noninstitutionalized population of the United States.                                       | \$25.4               |
| <b>National Ambulatory Medical Care Survey</b><br>Sponsored by the Department of Health and Human Services. Is designed to meet the need for objective, reliable information about the provision and use of ambulatory medical care services in the United States. | \$13.7               |
| Other reimbursable work  | \$109.3              |
| <b>Total</b>   | <b>\$315.0</b>       |

Source: U.S. Census Bureau, FY 2015 budget request to Congress, March 2014.

<sup>a</sup> Additional surveys included in the 12 surveys reviewed in table B-2.

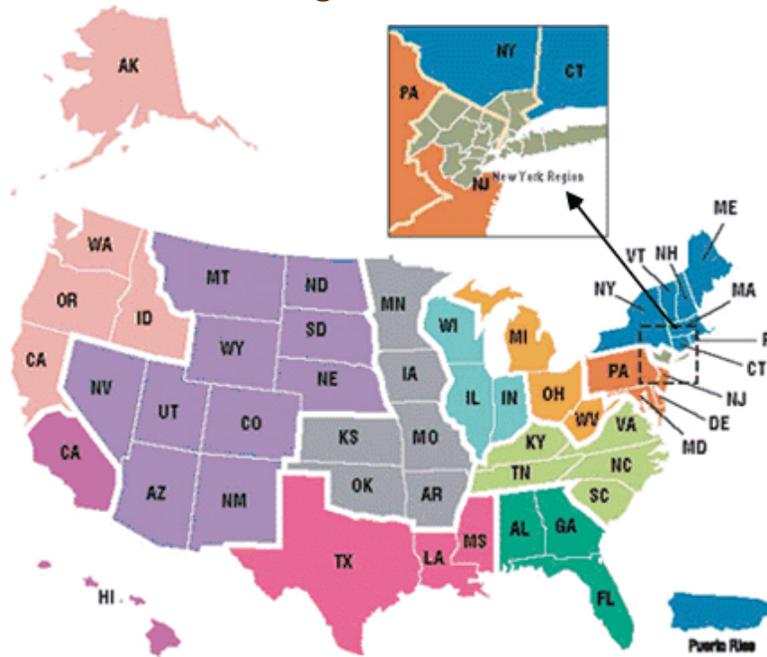
**Table B.2. Census Bureau–Funded Survey Obligations in FY 2015**  
(millions of dollars)

| Survey   | Estimated Obligation |
|--|----------------------|
| <p><b>American Community Survey</b><br/>Conducted monthly since 2005 in every county nationwide to collect timely demographic, social, economic, and housing data. The American Community Survey improved upon the decennial census long form by providing important information to the nation on an annual basis, instead of once every 10 years.</p> | \$234.4              |
| <p><b>Survey of Income and Program Participation</b><br/>The major source of information on the economic well-being of Americans over time, allowing policy makers and program managers to look at specific families and households over 3 to 4 years, providing perspective on demographic and economic changes.</p>                                  | \$45.4               |
| <b>Total</b>   | <b>\$279.8</b>       |

Source: U.S. Census Bureau, FY 2015 budget request to Congress, March 2014.

# Appendix C: Regional Office Structure

**Figure C.1. Census Bureau Regional Office Structure, Pre-realignment**



Source: Census Regional Census Center, Management Overview Training, January 2009.

**Figure C.2. Census Bureau Regional Office Structure, Post-realignment**



Source: Census Congressional briefing, January 2013.

## Appendix D: Post-realignment Survey Staff

**Table D.I. Survey Staff Responsibilities**

| Office Location     | Title and Responsibilities   |
|---------------------|--|
| <b>Headquarters</b> | <p><b>Survey director:</b> Schedules project work, manages staff and client relations, monitors the budget, oversees questionnaire and materials design, planning and executing data collection, and delivery of completed data sets, and reports ongoing cost and progress for the survey.</p>  |
| <b>Region</b>       | <p><b>Program coordinator:</b> Oversees all field data collection activities. These coordinators directly supervise the Office and Field Survey Statisticians and the other support areas of the Regional Office.</p> <p><b>Regional office survey statistician:</b> Supports and administers individual surveys for the entire region. These activities include communicating with headquarters and survey sponsors, coordination of hiring and training needs for specific surveys, and ensuring all data quality standards are met.</p> |
| <b>Field</b>        | <p><b>Field survey statistician:</b> Manages a team of approximately 12 Field Supervisors, coordinates communication between the Field and Regional Office, and manages staffing for a geographic area.</p> <p><b>Field supervisor:</b> Supervises 10–12 field representatives, covering all surveys that the field representatives work. Conducts observations for field representatives.</p> <p><b>Field representative:</b> Contacts sample addresses, establishes relationships with respondents, and conducts interviews.</p>         |

Source: OIG analysis of Census Bureau job descriptions and realignment presentation to survey sponsor.

# Appendix E: Agency Response



UNITED STATES DEPARTMENT OF COMMERCE  
Economics and Statistics Administration  
U.S. Census Bureau  
Washington, DC 20233-0001

September 25, 2015

MEMORANDUM FOR Andrew Katsaros  
Principal Assistant Inspector General  
for Audit and Evaluation

From: John H. Thompson *Nancy DeHaven for*  
Director

Subject: Draft Report: *Census Bureau Realignment Did Not Meet Stated Goals and Reimbursable Agreements Are Not Managed Adequately*

The attached comments are in response to your draft audit report, *Census Bureau Realignment Did Not Meet Stated Goals and Reimbursable Agreements Are Not Managed Adequately*. The U.S. Census Bureau appreciates the comments and recommendations developed by the Office of the Principal Assistant Inspector General for Audit and Evaluation.

Attachment

**OIG Draft Report**  
**Census Bureau Realignment Did Not Meet Stated Goals and Reimbursable**  
**Agreements Are Not Managed Adequately**  
**U.S. Census Bureau Response**

The U.S. Census Bureau has reviewed the Office of Inspector General (OIG) Draft Report, and has the following comments:

I. Reimbursable Agreements Are Not Adequately Managed

I.A. Census Processes for Charging Time Are Inadequate

**RESPONSE:**

The Census Bureau is committed to having employees charge to the project code on which the employee is working and has been working to ensure that employees are charging to the accurate project code for the work performed. In 2014, the Census Bureau addressed issues of mischarging through several avenues. First, WebTA training was revised and completion of this updated training was made mandatory. Town hall Q&A sessions were conducted with employees to stress the importance of charging to the project code for the work completed. From that town hall, a list of FAQs was developed and made available to all employees as reference source. Timekeepers were also retrained on the importance of their role in the accurate recording and approval of employee time.

Each year, Field Division (FLD) issues guidance through a template on project code charging. The template provides the number of days that may be worked with the funding provided by the sponsor, for the fiscal year. This is crucial to remaining fiscally responsible for the fiscal year budget. Specifically, for Coordinator charging—in August/September of every year—FLD Management Services Branch (MSB) creates a spreadsheet that details the maximum number of days the coordinators can charge to a survey project. This spreadsheet is sent to the Regional Offices (ROs) to use as a guide to create the Position Listings. FLD MSB does not tell the regions that the coordinators MUST charge to these projects, however, they are instructed that this is a guide on the amount of money we have for coordinators on each project. There is not a formal process that dictates to the RO which project numbers to charge to for work. Each employee should charge to the work being completed.

During fiscal year (FY) 2015, FLD changed the project code to which Coordinators charge. The change moved the Coordinator project code funding from surveys to the Working Capital Fund. The implemented change recognizes that Coordinators are responsible for a myriad of activities on all surveys and programs in the RO.

The implementation of Project Server for the recording of daily charging of time (in 15 minute increments)—which includes all RO office staff—began on June 29, 2015, and will also

reinforce correct charging of time through the use of Activity-Based Management principles. Training has been provided to all staff at the Census Bureau headquarters (HQ) and in the regional offices. A memo went to all ROs on June 29 about the start of using Project Server to record time, and states: "It is also important to remember that you charge to the project number for which you are actually doing work. Hours spent on a decennial project should be charged to decennial, hours spent working on surveys should be charged to the appropriate survey, etc."

I.B. The Census Bureau Has Not Developed Adequate Controls over Survey Cost Estimates

**RESPONSE:**

The Census Bureau's Demographic Directorate currently employs a cost estimation process for planning cost management, estimating costs, developing costs, and managing to control costs. For recurring surveys/programs, managers used historical cost data for benchmarking current cost estimates; however, the cost estimation process is designed to develop new cost estimates for each new/recurring survey/program cycle. For each new Interagency Agreement (IAA), the Survey Director reviews the scope of work requested by the sponsoring agency, and develops a cost estimate call memo with the specifications of the project. The call memo is sent to each division participating in the successful implementation of the project, with a request to provide a cost estimate for the specified work.

The Survey Directors currently use a standard cost estimation sheet to develop estimates associated with the efforts of the immediate survey team staff. Furthermore, in 2015 the Demographic Directorate developed training on cost estimation and cost monitoring for all Survey Directors and Assistant Survey Directors, to ensure they understood their responsibilities and had the knowledge and skills to appropriately manage costs.

The Census Bureau concurs that we do not require that this same cost estimation sheet be used by the participating divisions. Further, we believe the surveys would be well-served if we disseminate the cost management training more widely to staff in participating divisions so that cost estimation and monitoring practices are exercised consistently across all areas working in support of reimbursable projects. We will commit to this as we head into FY2016.

Additionally, the Census Bureau has established the Office of Cost Estimation, Analysis and Assessment (OCEAA) to provide a Bureau-wide "gold standard" approach for estimating cost. The OCEAA is working to develop a repeatable process, procedures, guidance, and policies that are compliant with the Government Accountability Office, the Project Management Institute, and the Department of Commerce best practices. This enhanced approach will enable managers to improve the cost estimation process and will include a standard work break down structure, and use a Cost Element Structure (CES) and the Activity Based Management program to determine the cost of deliverables (different elements needed to complete the survey based on the requirements) and survey elements.

MS Project Server will serve as a primary IT solution for capturing and managing hours associated with survey/program activities, which will be used to calculate costs by detailed activity. These detailed activity costs will provide input into cost models for projecting future

program/survey estimates. This new cost estimation process will be used for both censuses and surveys at the Census Bureau.

I.C. The Census Bureau Does Not Consistently Provide Survey Sponsors with Sufficiently Detailed Standardized Cost Reports

**RESPONSE:**

The Census Bureau concurs that it is not providing survey sponsors with consistent, standardized reports of survey costs. We provided cost reports to the majority of our sponsors, with the NYCHVS and the NAMCS being the exceptions (we have since rectified this with NAMCS and will be providing regular reports for the NYCHVS when it is next fielded in 2017). However, these reports have been developed over the years on a case-by-case basis and tailored to sponsor's particular needs; thus, they are in different formats and provide slightly different information. We have been actively working with our Finance Division and the OCEAA to develop a standard format for these reports that can be efficiently produced with a minimum of manual input. We plan to vet formatting options with our sponsors in FY2016, and implement a final format that will be sent to every sponsor on a monthly basis by April 2016.

The newly enhanced cost estimation process established by the Census Bureau's OCEAA will standardize the Census Bureau's cost estimation process and provide more detailed cost data at a level of granularity to support the needs of sponsors/clients. As we mature the use of Activity Based Management (ABM) and capture hourly data for survey/program activities in MS Project Server, we will be able to produce cost data at the survey life cycle (SLC) and mission enabling support (MES) levels, as well as by a work breakdown structure (WBS) view. We have already designed a standardized cost management report for sponsors that provide detailed monthly expenditures for surveys/programs, and will include categories such as direct labor, benefits, division overheads, other objects, such as training, travel, and a detailed breakout of overhead costs, such as operation and maintenance equipment. We are working closely with sponsors to provide a sufficient level of detail and to make sure the overhead rates and any other categories are clearly defined. The source for this report is the Census Bureau's Financial System. However, once the Census Bureau has matured its use of the ABM using MS Project Server to capture hours/time by deliverable and activity, we will have sufficient cost data to produce reports based on the deliverable-oriented WBS, as well as SLC and MES activities. These efforts will give managers the tools needed to better estimate costs, manage costs and variances more reliably, and provide sponsors a standardized and more accurate accounting of their survey/program costs.

II. The Census Bureau Is Not Monitoring Survey Costs and Failed to Research Interview Anomalies

## II. A. Regional Office Survey Statisticians Are Not Performing Required Monitoring Duties

### **RESPONSE:**

The Census Bureau acknowledges that the initial use of the Unified Tracking System (UTS) by Survey Statisticians Office (SSOs) has been inconsistent across regions and across surveys. Since the Field Restructuring, SSOs have been tasked with monitoring cost, progress, and quality for their surveys. The UTS is intended to be a primary source of information for this task. Recognizing the inconsistent use of UTS and other systems to monitor field data collection, the Field Division hosted a one-and-a-half day training session for all SSOs in Washington, DC, on September 25 and 26, 2014. At the first day of the meeting, all SSOs across all regions and surveys met. Sessions focused on future trends in data collection, response rates, costs, and data quality. A session was also held to help them with their responsibilities as survey trainers. On the second day, the SSOs broke up into groups by survey and they met with their Field Division Liaisons and Survey Directors. The survey groups participated in a workshop geared toward monitoring cost, progress, and quality on that survey using UTS.

We also heard from some SSOs that they preferred to use the Regional Office Sample Control (ROSCO) System and the Cost and Response Management Network (CARMN) to assist with their survey management of progress and cost. This was because ROSCO information is real-time and UTS was originally updated only one time each day. The UTS moved to processing updates twice a day in the spring of 2015 and will add a third daily update in September 2015 to increase the timeliness for West Coast users. The UTS is constantly under review with new reports being added or existing reports being enhanced. For example, the NAMCS survey, which was originally not covered by the UTS, now benefits from two UTS reports providing detailed cost information.

In January of 2015, the Census Bureau created a new office in the Field Directorate—the Office of Survey and Census Analytics (OSCA). OSCA works closely with the Field and Demographic Directorates to harness data across various systems, statistically analyze that data, and help inform potential changes to survey data collection with an eye toward improving cost and quality. Additionally, OSCA will be looking for ways to better use paradata to assist with the management of field data collection. One of OSCA's first projects is the development of prescriptive guidance for SSOs and SSFs for the National Health Interview Survey (NHIS). This guidance is associated with monitoring progress, cost, and quality with existing tools. OSCA, working with the Health Surveys Branch in Field, the NHIS Survey Director, and the Field Training and Career Development Office, plans to begin rolling out this new guidance on NHIS in the fall of 2015. The NHIS pilot will then serve as a model and similar instructions will be customized for the other surveys.

In the spring of 2015, the Chief of FLD created a National SWAT Team to help address some performance issues in the New York region. The SWAT team was made up of strong managers from the other five regions in the country. The OSCA took advantage of the creation of this group and met with the SWAT Team to discuss particular improvements they would like to see in reports that are available to SSOs to assist with their survey management functions. Because of this meeting, OSCA identified seven UTS reports needed to assist with field management.

The chart below lists the seven reports along with release information. Please note that two of the reports shaded in this chart have already been released for use by field management.

| Release Date   | Memorandum No.  | Report Name                                    | Report Type                    | Report No.      |
|----------------|---|--|--------------------------------|-----------------|
| Target Oct-Nov |   | Progress and Worse Case Response               | Team/FR Status                 | UTS-5001        |
| 9/3/15         | FTCDO NO. 2015-10<br>ROAM NO. 2015-100                          | <b>Interviewing Progress, Hours, and Miles</b> | Team/FR Status                 | <b>UTS-5002</b> |
| Target Oct-Nov |   | Progress (Cross Survey)                        | Team/FR Status                 | UTS-5003        |
| 8/3/15         | FTCDO NO. 2015-09<br>(Revised)<br>ROAM NO. 2015-90<br>(Revised) | <b>Cases without Recent Action</b>             | Case-level Issue               | <b>UTS-5101</b> |
| Target TBD     |   | Cases Neglected by FR                          | Case-level Issue               | UTS-5102        |
| Target TBD     |   | Outstanding Cases Triage                       | Case-level Status              | UTS-5151        |
| Target TBD     |   | FR Data Quality Concerns                       | Data Quality Issues (FR-level) | UTS-5201        |

UTS-5002, which released on September 3, 2015, is unique in that the report is delivered to all SSOs, Survey Supervisors Field (SSFs), and Field Supervisors (FSs) daily via email. The information received by each person is specific to their assignment. For example, the SSO receives a report for their region specific to their survey assignment while an SSF receives a report that covers all surveys for their geographic area within the region and an FS receives a report for all surveys worked by their team of FRs. Business rules pre-identify the areas of concern and highlighting is used to draw attention to specific situations that require follow-up. The customized reports delivered directly to the supervisor and pre-identification of areas of concern should improve the efficient use of the UTS reports by the field management.

The Census Bureau acknowledges that monitoring survey costs has not been consistently implemented by SSOs across the regions and surveys. However, the SSO performance plans do not require SSOs “to use the UTS at least once per day” as stated in the draft report. The performance plans call for “frequent or daily use.” As previously described, OSCA is in the process of working with the survey branches in FLD to develop more prescriptive instructions for the use of paradata to manage cost, progress, and quality. We continue to understand the

available tools and reports for monitoring survey data collection activities, and will be looking for opportunities to unduplicate similar tools, identify gaps in user needs, and increase efficiency of survey operations. The objective is for survey cost to be monitored and evaluated along with progress and quality, and for all three elements of survey performance to be given appropriate attention. An example of a recent effort to improve cost monitoring includes the introduction of the Payroll Compliance Report in August 2015 to monitor daily payroll submissions on CPS. This report identifies FRs who are delinquent in submitting their daily payroll so we can correct the situation and accurately monitor survey spending in real time.

II.B. The Census Bureau Did Not Ensure That Quality Data Was Collected on the National Crime Victimization Survey

**RESPONSE:**

While Giant Panda is one tool for evaluating data quality in the field, the Census Bureau wishes to clarify that it implements multiple data review steps throughout the full survey life cycle prior to delivering a data set to a sponsor, including reinterview. Thus, we disagree with the implication of this finding that the National Crime Victimization Survey (NCVS) data delivered to the Bureau of Justice Statistics (BJS) was of substandard quality.

The Census Bureau acknowledges there are occasions when immediate action was not taken on interviews flagged for feedback in the monthly NCVS data quality feedback reports. On a monthly basis, the regional offices provide data quality feedback to field representatives based on data from the Giant Panda system. NCVS field representatives who need improvement are given feedback by the SSOs, and sometimes assisted by the field supervisors. Data quality feedback is generally given to field representatives for work completed in the previous month. For example, feedback given in June is for work completed in the previous month (May). The Giant Panda data is also transferred monthly to the CARMN where it is put into a data quality report for each NCVS field representative. The CARMN data quality report for each field representative has a row for each month in the rating year (October to September). All field representatives, regardless if they are flagged for not meeting data quality thresholds, are sent a monthly data quality report that shows their performance data from Giant Panda from October through the current month.

For the October 2013 and January, September, and October 2014 data collection periods, the regional offices were not required to complete the standard data quality feedback cycle that includes reporting feedback results to Field HQ. However, the data quality results were still made available to the regional offices both in the standard format as well as in the CARMN. The decision not to perform the standard data quality feedback cycle for these periods was agreed to by the Field and Demographic Directorates to offset special circumstances in the field during these periods as outlined below:

Due to the government shutdown, October 2013 represented a short interview month in which field representatives only had approximately two weeks to complete their regular monthly NCVS workload. As mentioned in the OIG draft report, the shortened interview period naturally led to

an increase in cases that were started on or after the 20th day of the month and resulted in noninterviews. In addition, due to the government shutdown, the annual field representative performance reviews were delayed for a month and conducted from mid-November through early December. While we did not require formal feedback on October 2013 data quality, the October data quality information was loaded into the standard data quality feedback reports as well as the CARMN, and made accessible to the regional offices for use in conjunction with the annual performance reviews and when providing November 2013 data quality feedback to field representatives.

The government shutdown and the forced delays in the performance management cycle caused a ripple effect in delaying the monthly data quality feedback cycle for the next several months. In an effort to get back on the schedule of conducting data quality feedback for work done in the previous month, we allowed the regional offices to forego formal feedback for January 2014. While we did not require formal feedback for the January 2014 data quality cycle, the January data quality information was loaded into the standard data quality feedback reports as well as the CARMN, and made accessible to the regional offices for use in conjunction with the spring mid-year performance reviews and when providing February 2014 data quality feedback to field representatives.

Annual field representative performance reviews are generally conducted from mid-October to mid-November each year. For September and October 2014 data quality, we allowed the regional offices to forego the standard data quality feedback cycle and focus on the annual performance reviews. The reviews included Giant Panda data from the entire rating year (October thru September) and although we did not require the standard data quality feedback cycle to be conducted in October 2014 for September 2014 work, the Giant Panda data was included in the CARMN data quality report used for the annual performance reviews. Additionally, the October 2014 data quality information was loaded into the standard data quality feedback reports and made accessible to the regional offices for use in conjunction with the annual performance reviews and when providing November 2014 data quality feedback to field representatives.

Reinterview (RI) is conducted every month for six weeks on NCVS. The primary objective of the NCVS RI program is to identify FRs who falsify interviews and/or misclassify noninterviews. Reinterview is a significant part of FR data quality control. RI identifies instances of data falsification as well as measures error in coverage of the population arising out of a failure to conduct interviews at the correct household, noninterview misclassification, missed units, and/or incorrect application of definitions of housing units and household membership. In addition, RI discourages FRs from falsifying data.

### III. The Census Bureau Cannot Support That Estimated Cost Savings Have Been Achieved and Did Not Develop Measureable Goals to Improve Efficiency and Data Quality

**RESPONSE:**

We agree that it is difficult to articulate or account for such a small percentage of the budget. For example, the CPI inflator from 2011 to 2014 is 5.2%, roughly three times the projected Realignment savings.

The FY2011 savings estimates of \$17.8M showed the planned increases or decreases in number of staff by position type, as well as an estimated savings in lease costs. The estimated grade and step for each position type were documented in footnotes to the estimated savings. So was the cost per square foot in projected space savings.

We have fewer management and administration positions in the regional offices. We are able to determine exactly how many fewer, by position, there were in FY2014 compared to FY2011, as well as document space savings (see the table below).

**SAVINGS FROM 2011 TO 2014 USING POST-PROCESSING NFC PAYROLL DATA**

|  | 2011         | 2014         | Reduction           |
|--|--------------|--------------|---------------------|
| Total RO Office Hours                              | 1,445,327    | 993,719      | 451,608             |
| Total RO Office FTE                                | 692.2        | 475.9        | 216.3               |
| Total Salary with Personnel Benefits and Overheads | \$44,363,907 | \$25,248,945 | \$19,114,962        |
| Space Lease Cost Reduction                         |              |              | \$2,030,000         |
| Subtotal   |              |              | \$21,144,962        |
| CPI Inflator 2011 to 2014 (5%)                     |              |              | \$1,057,248         |
| <b>Grand Total</b>                                 |              |              | <b>\$22,202,210</b> |

To affirm that these savings were achieved, we examined actual payroll files (NFC payroll data post-processing) to derive 2011 and 2014 payroll hours by position type affected by the Realignment. Using the NFC payroll files allows us to filter on Regional Offices and position titles (as they are cited on form SF-50) in Regional Offices, and also filter out any staff in the Regional Offices working for or charging to the 2010 Census, and utilize the same methodology for examining actual 2014 savings compared to 2011 estimates.

Payroll hours by position type were calculated in terms of dollars by using the same grade and step for each position assumed in the FY2011 savings estimates. The pay rates associated with these grades and steps were taken from OPM salary tables. For 2011, each pay rate for each position by grade and step assumed the average pay rate across the 12 existing ROs (to account for locality pay). For the 2014 comparison, each pay rate for each position by grade and step assumed the average across the six existing ROs (again, to account for locality pay).

First, converting reduced hours by position type to FTE, we determined using NFC payroll data that the total number of RO positions reduced by the Realignment was 216, an increase of 24% over initial expectations. (In June 2011, we estimated that the net overall reduction in FTE by position would be 174.)

We calculated dollar savings in three ways. One method looked only at savings from direct salaries. Another method assumed direct salary plus leave and benefits. This shows a Realignment savings from the 2011 original structure to the 2014 structure to be \$14.5M, including \$2.03M in space lease cost savings. However, since certain positions include bureau overheads along with leave and benefits, the third approach, showing total “fully loaded” savings is \$21.1M, about 18.5% higher than originally expected.

Since these savings do not include inflation, we used the same procedure of utilizing NFC payroll files by position type by RO, comparing 2011 to 2014, but also including the BLS CPI inflator for 2011 to 2014. This allows a more accurate view of actual cost savings. Looking at direct salaries with only leave and benefits, this raises the savings to \$15.3M. Adding bureau overheads, the total savings including the CPI inflator increase to \$22.2M, about 25% higher than estimated in 2011.

The Census Bureau also had a number of operational measures of success for implementing the Regional Office Realignment. These included, first and foremost, meeting the schedule set by the Director—at the time of the public announcement—for transitioning from 12 to six regional offices within 18 months. The transition was accomplished ahead of schedule and under budget, and included meeting the dates for each of the “seven waves” of the Realignment during calendar 2012. We also utilized a number of operational measures of success.

**SOME KEY OPERATIONAL MEASURES OF SUCCESS**

|  |
|--|
| Meeting all scheduled dates required for carrying out the Reduction in Force (RIF)   |
| Establishing new position descriptions and filling the vacancies   |
| Providing career transition assistance to employees affected by the Realignment  |
| Establishing and implementing new space requirements for the six remaining regional offices                                    |
| Implementing the shut down of the six closing regional offices   |
| Successfully carrying out the necessary Knowledge Transfer between closing and remaining regional offices                      |
| Developing and implementing a comprehensive training plan for regional office staff in the new field structure                 |
| Implementing the automation technology tools, equipment, resources and policies associated with the regional office transition |
| Developing the criteria for the delineation of the SSF and FS areas and guidance for   |

|                                    |
|------------------------------------|
| implementation of the delineations |
|------------------------------------|

We also established a set of quality indicators for each of the major ongoing and periodic one-time current surveys to manage and monitor data quality for these surveys during the transition. The quality indicators identified for each current survey were built using existing and emerging quality indicators such as those used by the National Center for Health Statistics (NCHS) for the Health Interview Survey (HIS); BJS for the National Crime Victimization Survey (NCVS); Department of Housing and Urban Development (HUD); and the Census Bureau for the American Housing Survey (AHS) and a paradata analysis of the Current Population Survey (CPS). In each case, agreement and acceptance of these quality indicators was obtained from the internal and external sponsors of each of these surveys. While we have provided the OIG with a number of final documents and studies related to this effort, we also want to share the data quality indicators' nomination for the Director's Innovation Award Honorable Mention:

"The Demographic Statistical Methods Division (DSMD) Data Monitoring Team is being recognized for successfully utilizing both scientific and technological approaches to build a data monitoring program within six months. The program analyzes data in real time to identify and communicate when the new field restructure may influence the quality of survey estimates. This program also gives the Census Bureau the capability to be more proactive in identifying survey issues, problems, and solutions."

#### OIG RECOMMENDATIONS/RESPONSES

1. We agree with your recommendation that the Census Bureau implement steps to ensure that time charged by Census employees in WebTA reflects actual work performed on specific surveys.

Updated training and instruction designed to reinforce the correct charging of time through the use of Activity-Based Costing principles was provided to employees in July. The implementation of Project Server for the recording of daily charging of time (in as low as 15 minutes increments) began on June 29, 2015, and this tool will reinforce the correct charging of time in WebTA. A memo to all regional offices reiterated that "It is important to remember than you charge to the project number for which you are actually doing work." As you recommend, we intend to keep reinforcing the correct charging of time by our employees in both our Project Server and WebTA systems.

2. We agree with your recommendation to develop policies and procedures that define (a) the methods for estimating reimbursable agreement costs; (b) the level of detail required for reporting actual costs of reimbursable agreements to sponsors; and (c) how often cost reports should be provided to survey sponsors.

In an effort to ensure we provide a bureau-wide "gold standard" approach for estimating cost, the Census Bureau established the OCEAA. The OCEAA has worked to develop a

repeatable process, procedures, guidance and policies that are compliant with the Government Accountability Office, the Project Management Institute, and U.S. Department of Commerce best practices. This will improve and standardize the methodology for estimating reimbursable agreement costs. This new cost estimation process will be used for both censuses and surveys at the Census Bureau. This process will also provide more detailed cost data at a level of granularity to support the needs of our survey sponsors, and at a frequency that meets our sponsors' needs.

3. We agree with your recommendation to improve survey cost and quality monitoring by (a) establishing measurable cost and quality standards; (b) consolidating monitoring systems to avoid duplicate capabilities and reduce costs; (c) prioritizing the implementation of all surveys in the Unified Tracking System and ensuring that all regional office survey statisticians are trained on system capabilities; and (d) instituting periodic time frames for supervisory review of the cost and quality reports and taking corrective action before the next survey cycle.

The Census Bureau concurs with this recommendation and has already made significant improvements in the tools and processes used to monitor progress, cost, and quality through enhancements to the UTS and training of survey managers on how to use the tools provided. Our efforts in this respect are ongoing and include focusing SSOs and other survey management on using the optimal set of tools for administering their respective roles. With the introduction of UTS-5002, which is delivered by email to survey managers, implementation of the Payroll Compliance report, and increases in the frequency of daily updates to UTS data, we have both provided the tools and set the expectations for periodic supervisory review and corrective action across all surveys in the areas of progress, cost, and quality.

4. We agree with your recommendation to calculate the costs of the Realignment, using net change in personnel and lease costs, to confirm whether actual cost savings occurred and will continue to be realized.

As noted in our response to Finding III, we are currently utilizing a methodology to calculate net change in personnel and lease costs that confirms that actual cost savings occurred, and were larger than originally estimated. We will continue to utilize this methodology to ensure that cost savings continue to be realized, and will be happy to share the detailed methodologies and results with you at your convenience.