

Testimony of
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U.S. DEPARTMENT OF COMMERCE
before a field hearing of the
Committee on Oversight and Government Reform,
House of Representatives

Monday, July 19, 2010
Brooklyn, New York

Whistleblower Allegations
Concerning Census Operations in Brooklyn, New York

Chairman Towns, Ranking Member Issa, and Members of the Committee:

I appreciate the opportunity to be here today to testify on the whistleblower allegations we received concerning Census operations in Brooklyn, New York, and the steps being taken to ensure the accuracy of the 2010 count. My testimony today will briefly summarize the results of recent investigations into serious allegations that local Census office (LCO) management directed employees to falsify Census questionnaires during Nonresponse Follow-up (NRFU), the Census operation in which enumerators visit and conduct interviews at addresses where the households did not respond to the original Census questionnaires. I will also address how Census has responded to these allegations.

WHISTLEBLOWER ALLEGATIONS

We became aware of the allegations concerning the Brooklyn Northeast LCO on June 14, 2010, when our hotline center received two e-mailed complaints alleging improprieties by the LCO manager and assistant manager for field operations. (Organizationally, each LCO has a manager and two assistant managers who oversee enumerations: the assistant manager for field operations

and the assistant manager for quality assurance). The complaints specifically alleged that the LCO manager and assistant manager for field operations had directed employees to falsify enumeration questionnaires using information from an Internet database rather than attempting to conduct in-person interviews as required by Census procedures. Within hours of receiving these complaints, we reviewed and forwarded the information to senior management at Census headquarters requesting an immediate investigation.

Our hotline center received a third e-mail on June 16, repeating the same allegations as the earlier complaints, but also indicating that an LCO operations supervisor resigned rather than comply with the managers' orders. The information from this e-mail was also promptly provided to Census headquarters with a follow-up request for immediate investigation. A chronology of the events surrounding the initial and subsequent allegations is included as an appendix to this testimony.

FINDINGS TO DATE

In short, based on Census's internal findings and our own independent investigative efforts, the initial allegations have been confirmed. According to interviews with Brooklyn Northeast LCO employees, the assistant manager for field operations recommended to the LCO manager during the week of June 7 that blank Census questionnaires be filled in using information from FastData®, a proprietary Internet database.

The Census Bureau maintains a subscription to FastData and uses the service as part of its quality assurance process. Census has internal controls to guard against the misuse of FastData, such as restricted access and written guidance on the database's appropriate use. However, in the Brooklyn case, LCO management improperly directed office clerks to use FastData information to complete the questionnaires, thereby defeating Census's internal controls. Based on our investigation, we have ruled out the possibility that the LCO manager and the assistant manager were directed by either headquarters or the regional Census center that oversees the LCOs in the area to take this improper action.

Between June 9 and 11, the assistant manager for field operations and two office clerks printed out FastData records for approximately 1,000 blank questionnaires. In her current position, the assistant manager for field operations should not have had access to FastData. However, because she had previously been the assistant manager for quality assurance, she retained her FastData access privileges. This alone violates Census practice governing the use of FastData.

On June 12 and 13, the LCO manager distributed these questionnaires and the associated FastData printouts to several clerks, who then worked in shifts of two in his private office to complete the task. Specifically, the LCO manager instructed two clerks to fill out the questionnaires using the supplied FastData printouts, and, in the sections that were not covered by the FastData information, to falsely record that the resident had refused to respond. Finally, these two clerks relayed the LCO manager's instructions to other clerks in the office, who in turn completed questionnaires in the same improper manner. For instance, some clerks told us they filled out their questionnaires using information from FastData—e.g., a list of several names associated with a single address—to infer the number of residents, while other witnesses we interviewed stated that they had been instructed to simply enter “1” as the number of residents at a particular address.

CENSUS'S RESPONSE TO THE BROOKLYN ALLEGATIONS

To its credit, the Census Bureau acted quickly to investigate the allegations and took corrective action. Census immediately dispatched an internal investigative team to Brooklyn, and the Census Director personally visited the Brooklyn Northeast LCO. Personnel actions were promptly taken and remediation efforts planned or initiated. However, as we will discuss, additional allegations have been raised with respect to the remediation efforts.

On June 22, Census notified the Office of Inspector General (OIG) that it had terminated both the LCO manager and the assistant manager for field operations and ordered the re-enumeration of all questionnaires completed on or after June 12, bringing in staff from nearby LCOs to conduct the re-enumerations. This work was to be carried out pursuant to established Census procedures requiring re-enumeration under certain circumstances, primarily to address quality assurance findings. Initially, it was reported in the press that there were approximately

10,000 cases of potential falsification. However, this was Census's rough estimate given the information available at the time. Our current understanding, from Census's analysis of the incident, is that 4,221 household records required re-enumeration as a result of the whistleblower allegations. The revised estimate seems reasonable based on our review of Census's approach; however, we will continue to evaluate its methodology and results in our investigation.

As a result of the Brooklyn incident, Census developed a process for identifying cases where FastData was used improperly. It has applied this model to other LCOs in Brooklyn, and has not found evidence that FastData was misused. The bureau is now analyzing how its methodology can be applied nationwide to detect anomalies indicative of similar abuses.

Census's remediation efforts have included assigning employees from other Brooklyn LCOs to re-enumerate all questionnaires logged between June 12 and June 22. But two subsequent complaints to OIG and Census allege that these efforts have caused additional problems. On July 7 and 8, we received allegations that during remediation efforts, some of the employees assigned from the other Brooklyn LCOs to perform the re-enumeration were inferring the number of household residents through improper means.

OIG and Census have each independently substantiated this allegation, and concluded that one of the causes may be the interpretation of Census directives made by field staff enumerating "last-resort" cases (addresses that could not be enumerated directly or by proxy interview after numerous attempts). Census issued directives for enumerators to follow in last-resort cases. These directives state in part that enumerators, together with their crew leaders, "may make the determination about the status of the address based on their best judgment." Census defines "status" as whether the housing unit at a given address is considered occupied, vacant, or nonexistent—but it did not intend for its instructions to direct enumerators to make assumptions about and enter the number of residents on the questionnaire. As a result of this ambiguity, some enumerators resorted to counting the names on mailboxes while others based their assumptions on other visible evidence. Census is reviewing the matter and deciding on corrective actions, which may include further re-enumeration. In the future, Census needs to ensure that its written

guidance clearly prescribes both acceptable and unacceptable last-resort enumeration actions for determining the occupancy status of a housing unit and the number of its residents.

CENSUS’S QUALITY ASSURANCE AND FRAUD DETECTION PROCESSES

The Census Bureau employs a number of quality control measures across all operations, many of which rely on crew leaders. Crew leaders are first-line supervisors who conduct initial observations of new enumerators, perform on-the-job training, and review completed enumerator work. Essentially, crew leaders have primary responsibility for the day-to-day monitoring and supervising of the enumerators assigned to them and the quality of their work.

In addition to the crew leaders’ efforts, quality assurance staff verify that enumerators actually interviewed the original respondents, by calling or visiting randomly selected housing units and conducting re-interviews. The captured data from the initial enumeration questionnaire and the re-interview questionnaire are sent through a matching process to determine if the enumerator conducted the interview correctly and followed proper procedures. The Matching, Review and Coding System (MaRCS) performs this function. MaRCS is a software application whose functions include comparing production and re-interview results, identifying situations of possible data falsification, and referring those cases to the LCO quality assurance staff for investigation.

Census developed its quality assurance procedures in response to erroneous and false enumerations it experienced in prior censuses. In the 2010 Census, these procedures have detected and remediated instances of falsification as well as serious enumerator error in LCOs across the country. As Census nears the end of its decennial operations, the more difficult-to-enumerate housing units call for “last-resort” procedures, which tend to generate a greater incidence of falsification. Recent Census MaRCS reports reflect a substantial rise in the number of identified false enumerations occurring at the end of NRFU, where last-resort cases are encountered, suggesting that quality assurance procedures are actually working, but also that Census’s procedures for last-resort cases—for instance, the need to eliminate any ambiguity in its operations directives—require improvement for future censuses.

Finally, an important quality assurance process is the OIG hotline, which in this case was used by Brooklyn Northeast LCO employees to blow the whistle on what they believed were improper enumeration activities. We credit the Census Bureau with actively informing its employees about how to contact our hotline center. Census employees and supervisors, as well as the American public, are among our most important sources of information about whether Census procedures are being adhered to. OIG works closely with the Census Bureau to ensure hotline complaints are addressed promptly and investigated thoroughly. We have been monitoring, and will continue to monitor, 2010 Census enumeration quality assurance operations such as supervisory controls, the NRFU re-interview process, and the output from MaRCS.

OIG'S CONTINUING EFFORTS

Under the Inspector General Act of 1978, I am required to report promptly to the Attorney General whenever I have reasonable grounds to believe there has been a violation of federal criminal law. Accordingly, on July 7, my office contacted the U.S. Attorney's Office for the Eastern District of New York about the whistleblower allegations we received concerning the Brooklyn Northeast LCO. Only the Department of Justice can determine whether criminal prosecution is warranted in this case. Also, beginning the week of July 12, OIG investigators and auditors visited Brooklyn to review documents and conduct interviews as part of our ongoing investigation. We will report the results of our investigation to the U.S. Attorney's Office as expeditiously as possible and keep the Census Director, the Secretary, and Congress informed of the status of our investigation.

Our actions concerning the Brooklyn LCO represent only one element of our oversight of the 2010 Census. Our work has included a comprehensive nationwide review of Census field operations. This has included extensive field visits by over 100 OIG staff to Census offices in every state. During our field work, we monitored multiple 2010 Census operations, observed management practices, and reviewed information technology systems. In so doing, we collected data that enabled us to conduct a continuous, national-level review of decennial census finances, schedule, and risk assessment and mitigation activities. Further, our oversight was instrumental in determining whether operations, including quality control checks, were being conducted in

accordance with Census procedures and generated multiple reports and recommendations for Census Bureau corrective actions.

The Brooklyn incident differs from other cases of falsification we have seen because it involves LCO management improprieties rather than individual enumerator misconduct. The Census Bureau is taking steps to assess whether the inappropriate use of FastData and falsification of the type seen in Brooklyn could be more widespread and whether additional remediation is needed. We plan to review Census's actions to evaluate their effectiveness.

This concludes my prepared statement, and I would be pleased to respond to any questions you may have.

**Commerce OIG 30-Day Chronology of Whistleblower Allegations
Concerning the Brooklyn Northeast LCO as of July 14, 2010**

➤ **June 14, 2010**

- The Commerce OIG hotline receives two complaints alleging that the management at the Brooklyn Northeast LCO directed employees to falsify as many as 4,000 questionnaires using information from an address history list obtained from the Internet. Commerce OIG notifies Census the same day per established procedures and requests an immediate investigation.

➤ **June 16, 2010**

- The Commerce OIG hotline receives a third complaint about the same incident. The complaint indicates that one office operations supervisor resigned rather than comply with upper management's directive. This complaint was also forwarded to Census officials immediately.

➤ **June 22, 2010**

- Census officials notify Commerce OIG that their investigation of the incident at the Brooklyn Northeast LCO had confirmed the allegations. Census outlines immediate actions, including termination of two managers and plans to re-work approximately 10,000 questionnaires.

➤ **June 28, 2010**

- Commerce OIG opens a criminal investigation.

➤ **July 7, 2010**

- Commerce OIG contacts the U.S. Attorney's Office for the Eastern District of New York. OIG and the Census Director receive a fourth complaint, alleging irregularities in Census's remediation efforts in the Brooklyn Northeast LCO. Commerce OIG notifies Census that auditors are being sent to the Brooklyn Northeast LCO to review Census's remediation process.

➤ **July 8, 2010**

- Commerce OIG requires the Brooklyn Northeast LCO to hold all remaining enumeration questionnaires in its office for OIG review. That evening, the Commerce OIG hotline receives an anonymous voice mail, making similar allegations about irregularities in the remediation efforts in the Brooklyn Northeast LCO.

➤ **July 12, 2010**

- The anonymous complaint from July 8 is forwarded to Census officials.

➤ **July 14, 2010**

- Census remediation efforts and Commerce OIG audit and investigation efforts continue.