

U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



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BUREAU OF THE CENSUS

*Unjustified Decennial Census Unemployment
Compensation Claims Should Be Reduced
Because Terminations for Cause
Were Mostly Well Documented*

Inspection Report No. IPE-13212/September 2000

Office of Inspections and Program Evaluations





UNITED STATES DEPARTMENT OF COMMERCE
The Inspector General
Washington, D.C. 20230

September 29, 2000

MEMORANDUM FOR: Kenneth Prewitt
Director
Bureau of the Census

FROM:

Johnnie E. Frazier

SUBJECT:

Final Inspection Report: *Unjustified Decennial Census
Unemployment Compensation Claims Should be Reduced
Because Terminations for Cause Were Mostly Well Documented*
(No. IPE-13212)

Decennial-related unemployment costs for the 1990 census were approximately \$64 million. In 1994, the Office of Inspector General reported that potentially millions of dollars of these unemployment costs could have been avoided had the separation and removal of problematic temporary decennial census workers been adequately documented.¹ It is important that terminations for cause be well documented so that, should the individual later apply for unemployment compensation, the Census Bureau is able to sustain a finding of ineligibility due to poor performance or gross misconduct. In 1998, the OIG reviewed the policies and procedures put in place to better manage unemployment compensation for the 2000 decennial and reported that they appear adequate.² However the OIG also suggested that additional management attention was warranted in order to better comply with the policies and procedures.

This is our final report on how documentation was handled for temporary employees terminated for cause during the 2000 Decennial Census. While conducting fieldwork in a number of local census offices (LCOs) during May through August, the OIG found that the bureau was, in the vast majority of cases, adequately documenting the termination of problematic employees.

¹ *Unemployment Compensation and the 2000 Decennial Census*, Department of Commerce Office of Inspector General, IRM-4593, September 1994.

² *Bureau of the Census: Columbia Dress Rehearsal Identifies Needed Improvements in Personnel Administration*, Department of Commerce Office of Inspector General, ATL-11050-8-0001, September 1998.

However, we did find some minor problems. For example, in 9 out of 56 cases at one LCO, employees were listed as being terminated for “lack of work”³ when in fact they should have been terminated for cause. They were not listed as terminated for cause because the appropriate form had not been filled out at the time of their dismissal. And, in another 32 out of 322 cases at eight other LCOs, the required form for documenting a termination for poor performance or conduct problems was not filled out or was missing. As a result, these terminations for cause were not adequately documented, and should the terminated employee make an application for unemployment compensation, the Census Bureau would be unable to refute the claim.

The report includes comments from your written response to our August 29, 2000, draft report. A copy of your complete response is included as an attachment to the report. We are pleased that you and your staff have agreed with our recommendation. We thank your staff for the assistance and courtesies extended to us during our inspection. If you have any questions about our report, please contact me at (202) 482-4661, or Jill Gross, Assistant Inspector General for Inspections and Program Evaluations, at (202) 482-2754.

INTRODUCTION

This report presents the results of our inspection of how well terminations for cause of decennial temporary employees were documented. Inspections are special reviews that the OIG undertakes to provide agency managers with information about operational issues. One of the main goals of an inspection is to eliminate waste in federal government programs by encouraging effective and efficient operations. By asking questions, identifying problems, and suggesting solutions, the OIG hopes to help managers move quickly to address problems identified during the inspection. Inspections may also highlight effective programs or operations, particularly if they may be useful or adaptable for agency managers or program operations elsewhere.

The inspection was conducted in accordance with the *Quality Standards for Inspections* issued by the President’s Council on Integrity and Efficiency, and was performed under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated May 22, 1980, as amended.

³ Lack of work is the separation action most used by the Census Bureau for temporary decennial employees. It means, simply, that the worker has completed his or her work assignment and that no additional work is available to be assigned to the worker. Being released from employment due to lack of work is not an adverse action and means that the worker is eligible to (1) be re-employed by the bureau at a later date should work become available and (2) apply for and receive unemployment compensation, if all other requirements (see page 3) are met.

OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objective of our inspection was to determine whether LCO staff were appropriately and completely filling out forms D-282 (Documentation of Performance and/or Conduct Problems) and D-283 (Documentation of Termination for Performance and/or Conduct Problems) for temporary decennial census employees. It is these forms that, if complete, should be sufficient to document the reasons behind a termination for cause. In particular, we examined whether (1) the forms had been used appropriately and filled out correctly and completely, and (2) any other supporting documentation, such as an eyewitness statement, referenced on the forms was present in the file.

To meet our objective, we visited 16 LCOs—Fairfax, VA; Annapolis, MD; Waldorf, MD; Seattle, WA; Everett, WA; Los Angeles, CA; Compton, CA; Long Beach, CA; East Los Angeles/Monterey Park, CA; Santa Ana, CA; Commerce, CA; Forest Park, GA; Aurora, CO; Denver, CO; Newark, NJ; and, Queens Northwest, NY. We interviewed management and administrative officials at the LCOs and reviewed personnel files. We reviewed forms D-282 and D-283 and supporting documentation for all employees terminated in adverse actions.⁴ In addition, we sampled the personnel files of temporary employees terminated before the end of their appointment for other reasons, such as a resignation or lack of work, to ensure that a form D-291 (Automated Decennial Administrative Management System [ADAMS] Update Form) was on file for each employee and that the reasons for the separation were clearly stated on the form.

BACKGROUND

To be eligible to collect unemployment benefits, an applicant must meet several requirements. These requirements are fairly standard across the 50 states and include earning a minimum amount of wages in at least two of the four calendar quarters preceding the claim, being available and physically able to work, and actively seeking work and documenting the job contacts made for submission to the state unemployment authorities. In addition, a worker may be disqualified from receiving benefits for voluntarily leaving the last employer without good cause connected with the work or being discharged by the last employer for misconduct or poor performance. It is, therefore, important for Census supervisors to adequately document when a worker leaves voluntarily or if a worker is terminated for misconduct or poor performance because, under such circumstances, the worker would be ineligible to receive unemployment benefits.

⁴ We only reviewed the files for employees already terminated by LCO management. We did not try to determine whether there were other employees who should have been terminated for poor performance or misconduct, but were not. We also did not determine whether the employees who were terminated should have been terminated.

Decennial-related unemployment costs were \$64 million for the 1990 census, costs that were borne entirely by the federal government. To determine whether these costs could be reduced in future decennial operations, in 1991 and 1992, Commerce's Office of Human Resources Management performed performance management reviews of unemployment compensation for temporary employees from the 1990 decennial. These reviews concluded that invalid unemployment compensation claims were paid due to improper personnel management procedures. In particular, the reviews found that Census supervisors did not always adequately document personnel removal actions for temporary decennial employees who were separated for cause, quit voluntarily, or were unavailable for work.

Because of the 1990 decennial personnel management problems identified by the Office of Human Resources Management, the OIG found that "potentially millions of dollars in savings would result from having tighter management control" in the area of separation and removal documentation relating to temporary decennial census workers.⁵ The OIG, in a 1994 report, recommended that the Census Bureau (1) develop appropriate guidelines for implementing, and provide the necessary resources to efficiently manage, the personnel procedures associated with the termination of 2000 decennial census temporary workers, and (2) ensure that future invalid decennial unemployment compensation claims can be appealed by documenting removal actions and making supervisors available to the Office of Human Resources Management to help in the appeal process when necessary. In response to the OIG's concerns for the 2000 decennial, the bureau created two new forms: form D-282, which allows for quick documentation of a performance problem with a temporary decennial employee, and form D-283, which allows for quick recording of when an employee is terminated for cause.

In 1998, the OIG reviewed the policies and procedures for the management of unemployment compensation for the 2000 decennial and reported that they "appear adequate."⁶ However, in this same report covering the Columbia, South Carolina, dress rehearsal, the OIG found that additional management attention was warranted in order to better comply with the policies and procedures. For example, personnel files for a random sample of 30 separated employees showed that 9 were reported as terminated for poor performance or conduct. However, the OIG found that four of the nine personnel files had documentation problems, including forms D-282 and/or D-283 not always being used when appropriate.

⁵ *Unemployment Compensation and the 2000 Decennial Census*, Department of Commerce Office of Inspector General, IRM-4593, September 1994.

⁶ *Bureau of the Census: Columbia Dress Rehearsal Identifies Needed Improvements in Personnel Administration*, Department of Commerce Office of Inspector General, ATL-11050-8-0001, September 1998.

DOCUMENTATION OF TERMINATIONS FOR CAUSE HAS GREATLY IMPROVED SINCE 1990 DECENNIAL, BUT MORE VIGILANCE IS REQUIRED TO ENSURE DOCUMENTATION IS PROPERLY COMPLETED

We found that, in general, the Census LCOs we visited were adequately documenting terminations for cause during the 2000 decennial. For the 16 LCOs reviewed, we found that the form D-283 was being filled out for nearly every employee terminated for cause. We also found that the form D-282 was usually completed and included a description of the unsatisfactory performance or misconduct and the remedies that the supervisor attempted, such as retraining or putting the employee on notice concerning the unacceptable performance. We should note that a form D-282 is not required in all cases. For example, egregious misconduct or performance problems can result in immediate termination, requiring only that a form D-283 be completed. However, the vast majority of the D-283 forms that we reviewed were also accompanied by a D-282 form explaining either prior performance problems or more details concerning the incident that led to the termination.

We also found that temporary decennial employees with misconduct or performance problems were being terminated promptly. The problem employees were usually suspended from work the same day or the next day, and then terminated within a few days. Such swift action is key to ensuring that problematic workers do not inadvertently remain on Census's rolls, thus making it more likely that they would eventually be terminated for lack of work (rather than misconduct or poor performance), or their appointment be allowed to expire. Either of these two designations would make them eligible for unemployment compensation.

However, we also found that more vigilance is required to ensure that separation documentation is properly completed. For example, some dates on the D-283 forms we reviewed were inaccurate or were missing altogether and, in other cases, a form D-283 referred to further documentation being attached, but the documentation was not in the file.

But, more importantly, in nine LCOs that we visited (Waldorf, Seattle, Everett, Denver, Aurora, East Los Angeles/Monterey Park, Santa Ana, Commerce, and Queens Northwest), we found that some Disciplinary Adverse Action Files for personnel separated for unsatisfactory performance or misconduct did not contain a form D-283, as required (see Table 1 below). For the other seven LCOs we visited (Annapolis, Fairfax, Los Angeles, Compton, Long Beach, Forest Park, and Newark), a form D-283 was present for each employee terminated for cause.

Table 1: Number of Files Missing Form D-283

LCO	Number of Termination Files Reviewed	Number Lacking Form D-283
Waldorf, MD	56	9
Seattle, WA	39	4
Everett, WA	45	4
Denver, CO	47	7
Aurora, CO	23	2
East Los Angeles/ Monterey Park, CA	52	5
Santa Ana, CA	4	1
Commerce, CA	28	5
Queens Northwest, NY	84	4

Probably the most troubling case occurred in the Waldorf LCO, where nine workers initially categorized as being terminated for poor performance were later recategorized to being terminated due to lack of work. This change was made in June 2000 because a form D-283 had not been completed for the terminations, as required, and before our visit to the LCO, the files were reviewed to ensure that all the documentation was in order. Per Census procedures, this was the correct action to take, once it was clear that the necessary documentation was missing, but we have concerns that approximately 16 percent of terminations for cause in the Waldorf LCO were not adequately documented using a form D-283. Waldorf LCO managers were unsure why the form D-283 was not promptly filled out for these nine cases, but they speculated that a heavy workload and competing priorities were likely to blame.

For the Seattle LCO, our review of 39 files for workers terminated for cause revealed that 4 files lacked a form D-283. Although there were D-255 (Information-Communication) forms⁷ contained in three files, and a written note in the other file, explaining the reason for recommending termination for cause, a form D-283 was not filled out as required. And, in

⁷ D-255 (Information-Communication) forms are used by one employee of the bureau to communicate, in writing, with another employee.

Everett, 4 out of 45 files did not contain a form D-283. For both of these LCOs, as in Waldorf, the cognizant Regional Census Center directed the LCO to recategorize the workers from terminated for cause to terminated due to lack of work because the form D-283 had not been completed. Finally, in Denver, Aurora, East Los Angeles/Monterey Park, Santa Ana, Commerce, and Queens Northwest, 24 of 238 termination files reviewed lacked a form D-283.⁸

Thus, in the case of all 41 workers for which a form D-283 was not completed, the Census Bureau will likely be required to pay unemployment benefits, should the workers apply, because the proper paperwork was not completed. Again, we reiterate that the bureau has improved its performance greatly in this area since the 1990 decennial. However, we believe, given our findings, that there is still room for improvement.

⁸ One of the two problematic Disciplinary Adverse Action Files in the Aurora LCO actually could not be located, despite a thorough search by the LCO and the Regional Census Center. Because we were not able to review the file, we categorized it as missing a form D-283.

RECOMMENDATION

For any additional terminations for cause made during the current decennial fieldwork, LCO managers should be reminded to ensure that all information is correctly entered onto D-282 and D-283 forms and that all supporting documentation is available with the files. This will ensure that the bureau can support its refusal of unemployment compensation for employees terminated for cause.



In responding to our draft report, the Director, Bureau of the Census, stated that the bureau is in agreement with our findings and recommendation. The bureau was encouraged by our finding that nearly nine-out-of-ten cases had proper and sufficient documentation. However, the bureau acknowledged that documentation can be improved, and they will continue to ensure that managers and supervisors review the procedures regarding conduct and/or performance documentation for disciplinary actions. To accomplish this, the bureau reissued two memoranda outlining the requirements for documenting conduct and performance-based actions for various categories of employees. In addition, headquarters staff reviewed performance and conduct procedures at a conference held with the Assistant Regional Census Managers, Administrative Supervisors, and other support staff earlier this year. We are satisfied that these actions meet the intent of our recommendation.

Attachment

cc: Robert J. Shapiro, Under Secretary for Economic Affairs
Mark M. Taylor, Assistant Division Chief of Administration
Harold E. Hayes Jr., PAMS/ADAMS Branch Chief
Pat Boteler, Audit Liaison




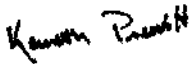
UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, DC 20233-0001

OFFICE OF THE DIRECTOR

SEP 29 2000

MEMORANDUM FOR Jill Gross
Assistant Inspector General for Inspections
and Program Evaluations

Through: Robert Shapiro 
Under Secretary for Economic Affairs

From: Kenneth Prewitt 
Director

Subject: Unjustified Decennial Census Unemployment Compensation
Claims Should be Reduced Because Terminations for Cause Were
Mostly Well Documented, *Draft Inspection Report No. IPE-13212*

We concur with this Draft Inspection Report and are implementing the recommendations of the Office of the Inspector General (OIG). As you are aware, the U.S. Census Bureau employed nearly one million people to conduct Census 2000. This extremely high number of employees, combined with the strict operational schedules, the sheer volume of work, and the fact that both the employees and the supervisors were hired on a short-term, intermittent basis, presented challenges to the documentation of conduct and/or performance issues associated with personnel actions during the decennial census.

Given these challenges, we were extremely encouraged that the OIG review indicated that nearly nine-out-of-ten cases had proper and sufficient documentation. These results reflect both the high caliber of the temporary managers and supervisors hired by the Census Bureau and the quality of the training they received.

The Census Bureau does acknowledge that documentation can be improved, and we will continue to ensure that managers and supervisors review the procedures regarding conduct and/or performance documentation for disciplinary actions. To this end, we have reissued the memoranda listed below:

(1) 99-187, Requirements for Documenting Conduct and Performance-based actions for employees at the Local Census Office (LCO).

(2) 99-179, Requirements for Documenting Conduct and Performance-based actions for Schedule A employees in the Regional Census Centers (RCCs), Accuracy and Coverage Evaluation Regional Offices (ACEROs), and leave-earning employees in the Local Census Offices (LCOs).

In addition, headquarters staff reviewed performance and conduct procedures at a conference held with the Assistant Regional Census Managers, Administrative Supervisors, and other support staff earlier this year.

The *Local Census Office Administrative Manual* (D-501) and the *Office and Field Supervisory Census Employee Handbooks* (D-593 and D-591) contain written guidance on the documentation of employee conduct and/or performance problems, along with guidance on employment terminations for unacceptable conduct and/or performance. The manual and handbooks also include complete examples of the *Documentation of Performance and/or Conduct Problems* (Form D-282) and the *Documentation of Termination for Performance and/or Conduct Problems* (Form D-283). The required training for all field operations supervisory positions includes clear instruction to monitor performance, to document poor performance on the D-282, and to complete the D-283, if termination becomes necessary.

cc: US/EA