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TO: Elizabeth Hanson, Acting Director  
Real Estate Assessment Center, Office of Public and Indian Housing, PX

(ORIGINAL SIGNED)

FROM: Frank E. Baca, District Inspector General for Audit, OAGA

SUBJECT: Audit Memorandum on the staffing resources of the  
Real Estate Assessment Center's Tenant Assessment Subsystem  
Seattle Technical Assistance Center  
Seattle, Washington

### **INTRODUCTION**

We completed an audit of the staffing resources of the Real Estate Assessment Center's (REAC) Tenant Assessment Subsystem Seattle Technical Assistance Center in which we addressed certain allegations of underutilization of staff resources.

#### **Audit Objective, Scope and Methodology**

Our objective was to assess the validity of the complaint alleging that the Seattle Technical Assistance Center (Center) staff does not have enough work to do, and the work the Center Analysts do is not commensurate with their grade level.

To achieve our audit objective, we performed audit procedures that included:

- Interviewing Center management to:
  - Obtain background information about the Center's mission, functions, operating goals, staff workloads and performance measures,
  - Understand the Center's management controls over its employee timekeeping and use of computers, and
  - Inquire about any employee computer misuse, and of any actions taken against employees who misused government equipment.
- Interviewing the Management Information Analyst to understand the Center's process for allocating workload assignments (or projects) that the Center received from REAC.

- Interviewing all Center employees to obtain an understanding about:
  - Their duties and responsibilities, how they perform their workloads and tasks,
  - How their productivity and performance are being measured and evaluated,
  - Their knowledge or perceptions about the Center's mission, functions, operating goals, staff workloads, and performance measures,
  - The Center's compliance with requirements such as those for using computers, and maintaining time and attendance records, and
  - How the Analysts used their time in-between projects.
  
- Reviewing:
  - Center records to determine the types of projects or workload assignments that the REAC assigned the Center during fiscal year 2001,
  - Project status reports and other relevant records showing the Analysts' work records for fiscal year 2001 to determine their time working on customer service activities and special projects, and time not accounted for,
  - Center management email, and teleconference call and staff minutes to determine if Center management asked REAC for more work as needed,
  - Position Descriptions to determine the duties of the incumbent Analysts to use as measures for determining if the work was appropriate for the Analysts,
  - Relevant personnel records to (a) determine the cause of employee computer misuse, and (b) verify the actions taken by management against employees who misused government equipment,
  - The contents posted in HUD and REAC homepages, and related documents to understand the history and mission of REAC, the roles of its Technical Assistance Centers, and other relevant information, and
  - Arthur Andersen's Work Measurement Study on REAC and HUD Seattle's Quality Management Review Report to identify items that may affect our current review of the Seattle Technical Assistance Center.

The audit covered the period from October 1, 2000 through September 30, 2001. We extended the audit period as appropriate during our review. We performed audit fieldwork at the Seattle Technical Assistance Center from November 2001 to February 2002.

We conducted the audit in accordance with the generally accepted government auditing standards.

In its written response to the draft report (Appendix A), REAC agreed with the finding and recommendations and stated corrective action would be taken. We agree with REAC's response; as such, management decisions (Action Pending) on the recommendations have been reached and you do not need to respond to this report unless there is a significant change in the planned corrective action.

Should you or your staff have any questions, please call me at (206) 220-5360.

### **SUMMARY**

We performed an audit of the Real Estate Assessment Center's Seattle Technical Assistance Center (Center) to assess the validity of a complaint alleging the Center staff does not have enough work to do, and the work performed by Analysts in the Center is not commensurate with their grade level.

Our audit results found that the allegations were generally valid. Because the Real Estate Assessment Center (REAC) has not been able to provide an adequate number of suitable tasks and activities for the Center staff to carry out, the staff does not have enough work, and the work the Center Analysts do is not commensurate with their grade level. Consequently, staff resources were underutilized, and opportunities for employee misconduct existed. Also, there are indications that similar problems exist at the Chicago Center.

We are recommending that the Department develop and implement a plan to fully utilize the Center employees with meaningful work commensurate with their grade level, and determine if similar conditions exist at the Chicago Technical Assistance Center and take appropriate corrective action.

We discussed the audit results with REAC Headquarters officials at an exit conference on January 31, 2002, and provided them with a draft report on March 15, 2002. REAC Headquarters officials responded with written comments to the draft report on April 16, 2002 agreeing with the finding and stating that corrective action would be taken to fully utilize staff resources. The Finding Section of this report summarizes and evaluates the REAC Headquarters officials' comments. A copy of the REAC Headquarters officials' full response is included in Appendix A.

### **BACKGROUND**

#### **The Real Estate Assessment Center (REAC)**

REAC's mission is to support program areas by producing timely, accurate and objective assessment data and analysis. REAC supports the Offices of Housing, and Public and Indian Housing with services such as lead hazard assessments, physical inspections, financial assessment of multifamily housing and public housing agencies, and tenant income verification.

## REAC's Chicago and Seattle Technical Assistance Centers

In April 2000, the Office of Public and Indian Housing's Income Verification Centers located in Chicago and Seattle became REAC's TASS (Tenant Assessment Subsystem) Technical Assistance Centers. These Centers receive and respond to inquiries relating to the tenant income verification process and income discrepancy resolution initiatives. The Centers' primary roles are customer service and performing special projects (assessment and evaluation).

### Functions of the Technical Assistance Centers

According to HUD's website the Centers are to:

- Answer and log calls to the Customer Service Hotline and email/internet sites designated for the tenant income verification process,
- Resolve inquiries through either direct answer or referral to the REAC staff,
- Receive and process all requests for address corrections or letters, and
- Receive and log all requests for manual status report submission and provide to the designated Tenant Income Verification staff for approval.

### Staff of the Seattle Technical Assistance Center

At the time of our audit, Seattle Technical Assistance Center had a staff of 21 (excluding one employee who is out-stationed with the Seattle Multifamily Office):

Director (1)  
Supervisory Quality Assurance Analyst (1)  
Management Information Specialist (1)  
Quality Assurance Analysts (13)  
Program Assistant (1)  
Office Automation Clerks (3)  
Auditor (1)<sup>1</sup>

### Tasks performed in 2001 by the Seattle Center

During fiscal year 2001, the Center Analysts performed tasks on the following assignments:

*The Multifamily Tenant Characteristics System (MTCS) Return Mail Address List.* The Center received a list of return mail needing correct addresses for public housing tenants. The Analysts researched from the appropriate HUD web page the telephone numbers they would use to contact entities or tenants. The Analysts contacted the tenants or entities to obtain the tenants' correct addresses.

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<sup>1</sup> The Auditor is currently an Acting Branch Chief for one of the two branches of the Center.

*The Tenant Rental Assistance Certification System (TRACS) Return Mail Address List.* The Analysts performed the same activities as those described under the MTCS Return Mail Address List, except that TRACS applies to multifamily housing residents.

*Public Housing Agency and Owner/Agent (POA) Follow Up.* The Analysts called POAs for answers to a "yes/no" questionnaire consisting of six questions, and then input the answers into an automated system.

*Resident Assessment Subsystem (RASS).* Center staff contacted PHAs in a proactive outreach effort to explain delays in a customer survey that REAC was sending out.

*Physical Assessment Subsystem (PASS).* PASS pertains to physical inspections of public housing and multifamily properties. The Analysts performed a survey using the questionnaire on PASS. The Analysts called the POAs and other appropriate entities or individuals to obtain answers to the 21 questions listed in the PASS Questionnaire. The questions were generally "yes/no" questions. After obtaining the answers to the questions, the Analysts input the answers to the automated PASS database created for this project.

*Exigent Health and Safety (EHS).* Like PASS, this pertains to inspections of HUD housing units. The Analysts performed a survey using the appropriate questionnaire to verify if the inspector performed unit inspections. The Analysts matched the information in the "parking ticket" (inspection report the inspector provided to Public Housing Agencies and Owner/Agents) with the report the inspector provided HUD. The purpose of the matching process was to verify for accuracy in reporting inspection results by HUD-contracted inspectors. The Analysts input their review results to the EHS database created for this project.

## **FINDING 1: REAC CAN INCREASE PRODUCTIVITY BY MORE FULLY USING ITS STAFF RESOURCES**

**Because the Real Estate Assessment Center (REAC) has not been able to provide an adequate number of suitable tasks and activities for its Seattle Technical Assistance Center (Center) staff to carry out, the staff does not have enough work, and the work the Center Analysts do is not commensurate with their grade level. Consequently, staff resources were underutilized, and opportunities for employee misconduct existed. Also, there are indications that similar problems exist at the Chicago Center.**

The Center staff does not have enough work

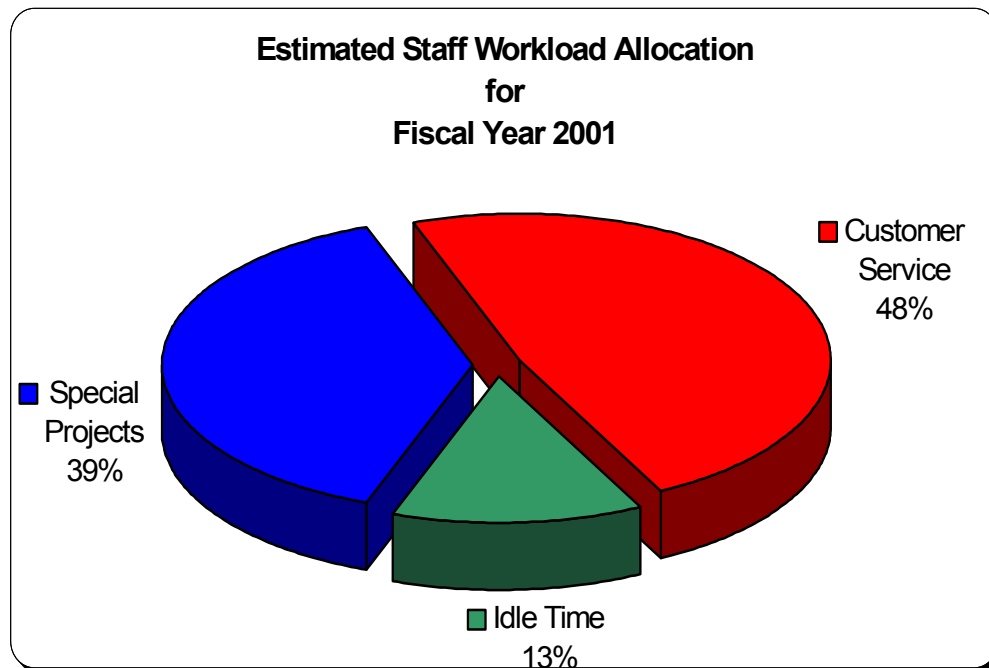
The Center management told us that the employees do not have enough work to do. Many of the Center staff also indicated that they don't have enough work or need more work.

- Of the thirteen Analysts interviewed:
  - five said they need more work,
  - two said they have enough work, and
  - six indicated that there are times when they need more work.

- Of the four administrative staff interviewed:
  - two stated they need more work,
  - one said there is enough work to do, and
  - one indicated there is enough work to do when the Center has a huge amount of work.

The Center Director also said that employees who finished their assignments the fastest have more idle time (time not spent for customer service activities or special projects). He estimated that about 20 percent of these employees' time is idle.

We analyzed the fiscal year 2001 work of all thirteen Analysts to estimate how much time each worked on special projects and customer service, and their idle time if any. The analysis estimates that during fiscal year 2001, the Analysts spent about 39 percent of their time on assessment and evaluation (special projects), 48 percent on customer service activities, and 13 percent idle time<sup>2</sup>.



In addition, a high ranking HUD official stated that it was common knowledge in the local HUD community that the Center employees did not have enough work to do, and that they were not re-directed to perform other assignments.

The work that the Center Analysts do is not commensurate with their grade level

The Center Director said that Analysts were assigned work that would normally be performed by lower-graded staff. He also said that they do not have meaningful work, and the work that they do is not suited to their grade level. Some of the Analysts said their work is not commensurate with the standard GS-11 level. Also, some Analysts said they have been in this grade level for a long time or feel that they have the skills to do different work where they could fully use these skills and get promoted.

<sup>2</sup> We estimated that four of the thirteen Analysts did not have idle time during fiscal year 2001.

Based on our review of the duties listed in their Position Description, and an analysis of the nature of the work that the Analysts performed during fiscal year 2001, we concluded that most of the work they performed was not commensurate with their grade level. The list of Analyst duties indicates that they are to perform assessment and evaluation type of duties as well as customer service activities. The assessment and evaluation type of duties in their Position Description appeared to have more weight than customer service and thus seemed to fit, or be commensurate with their grade level.

However, the nature of the work that the Analysts performed during fiscal year 2001 related more to customer service activities, such as providing service for the REAC TASS automated systems and REAC sub-systems such as Physical Assessment, Resident Assessment and others. Also, as customer representatives the analysts provided answers to questions frequently asked by HUD program administrators and others. The audit results indicated that during fiscal year 2001, the Analysts spent about 48 percent of their time on customer service activities, which in our opinion could be done by lower-graded staff.

Telephone surveys, for example, do not seem to be sufficiently challenging work for the Analysts, considering their skills. When performing the telephone surveys, the Analysts went through a set of yes/no questionnaires. The Physical Assessment Subsystem survey questionnaire consisted of at least 21 yes/no questions that the Analysts asked via telephone calls with tenants, Housing Authority staff, owners, management agents, and others. We believe lower-graded staff could carry out these telephone tasks. Conversely, the fact that only two of the Analysts have not passed the Certified Occupancy Specialist examination is an indication that the Analysts' skills could be put to better use.

The Analysts had only limited opportunity to perform assessment and evaluation types of duties, which we believe are more commensurate with their grade level, as these duties were not always available. For example, the tenant income verification process is only done annually in September and October, and even then REAC does not always task the Center to perform this task.

The Center Director agreed that lower-graded staff could perform most of the work such as telephone surveys that the Analysts performed during fiscal year 2001. He also agreed that the Analysts should do analysis and assessment type of duties such as income verification that are commensurate with their grade level, and that they should go out in the field to perform the assessment and evaluation of income reported by tenants.

#### REAC has not been able to provide suitable work for the Center Staff

The Center Director and the Branch Chief requested more work from REAC; however, the Department has not provided more work, although a REAC official stated they have been trying to find other work for the staff.

#### Similar problems may exist at the Chicago Center

There is also an indication that similar conditions exist at REAC's Technical Assistance Center in Chicago. The Seattle Center Director said that the lack of work had been discussed with his Chicago counterpart, who told him that conditions were similar at the Chicago Center. Also, we

reviewed the Seattle Center Management Information Specialist's allocation of the fiscal year 2001 projects and found that the projects were reasonably or equally allocated between the two Centers. The Information Specialist based his allocations of the workload on staffing levels for both Centers and other factors.

Consequently, staff resources were underutilized, opportunities for misconduct existed, and the Center's morale is low

REAC officials and Center management agreed that the staff is underutilized. The Center Director said that because employees lack work to do, some have used their HUD computers during work hours to access non-work related Internet sites, and have taken long lunch and break periods. He also said that, without enough work, the employees lack motivation to do the work they have.

A review of personnel records showed a history of employees' misuse of government computers. The employees stated in writing that they misused the computers because of the lack of work. The Center management took proper actions against these employees. When asked, the Center Director said that computer misuse has gone down after the Center notified all its employees of the policies relating to the use of computers.

Audit staff observed an employee sleeping and another reading a newspaper, although it's possible the employees were on break. The Center Director said he was not surprised about this, and that employees have been caught sleeping. We found an email message from management to an employee stating that the employee had been observed sleeping and reading during work hours.

The Center Director said that staff morale at the Center is low because there is not enough work, the work is too simple, and the Center does not have a stable role. Further, HUD's Seattle Review Team, after performing a local Quality Management Review, found that staff morale in the Seattle HUD offices was generally good except for the REAC Center office.

### **AUDITEE COMMENTS**

REAC Headquarters officials concur with our finding. In their written response (Appendix A), they indicated they've determined that similar conditions do exist at the Chicago Center. They stated they are working on a long-term plan to more effectively utilize the staffs in both Seattle and Chicago Centers. Prior to implementing the plan, the REAC Headquarters officials said that they would need to present it to the appropriate Union officials and expect to complete their negotiation with them by June 30, 2002.

### **OIG EVALUATION OF AUDITEE COMMENTS**

We concur with REAC's comments.



## **RECOMMENDATIONS**

We recommend you:

- 1A. Develop and implement a plan to provide Seattle Technical Assistance Center staff with adequate and meaningful work that is commensurate with their grade level.
- 1B. Determine if similar conditions exist at the Chicago Technical Assistance Center and take appropriate corrective action.

## **STATUS OF RECOMMENDATIONS**

Based on REAC's written response to the draft report, management decisions (Action Pending) have been made on both recommendations, and no additional response to this report is necessary unless there is a significant change to the planned corrective action.

## MANAGEMENT CONTROLS

In planning and performing our audit, we obtained an understanding of the management controls that were relevant to our audit. Management is responsible for establishing effective management controls. Management controls, in the broadest sense, include the plan of organization, methods, and procedures adopted by management to ensure that its goals are met. Management controls include the processes for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance (Government Auditing Standards, 1994 Revision).

### *Relevant controls*

We determined the following management controls were relevant to our audit objectives:

- Compliance with Laws and Regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.
- Safeguarding Resources – Policies and procedures that management has implemented to reasonably ensure that resources are safeguarded against waste, loss, and misuse.

### *Scope of work*

We assessed all of the relevant controls identified above.

It is a significant weakness if management controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations, will meet an organization's objectives.

### *Significant weakness*

We identified a significant weakness in REAC's management controls. REAC was unable to provide the Center staff an adequate number of suitable tasks and activities to increase productivity and fully utilize the Center's staffing resources. As a result, resources were wasted (see finding).



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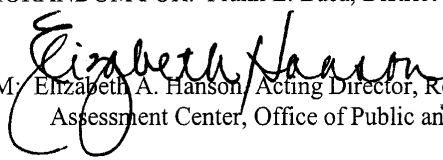
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APR 17 2002

HUD/OIG AUDIT  
SEATTLE, WA

April 15, 2002

MEMORANDUM FOR: Frank E. Baca, District Inspector General for Audit, OAGA

FROM:  Elizabeth A. Hanson, Acting Director, Real Estate  
Assessment Center, Office of Public and Indian Housing, PX

SUBJECT: Draft audit report on the staffing resources of the Real Estate Assessment Center's  
Tenant Assessment Subsystem, Seattle Technical Assistance Center

This is in response to the draft audit report regarding the staffing resources assigned to the Seattle Technical Assistance Center. Your review addressed allegations of underutilization of staff resources and developed one finding; REAC can increase productivity by more fully using its staff resources.

As discussed during my meeting with the auditors who conducted the survey, I agree with the finding that we can increase our productivity by more fully utilizing the staff resources in both Seattle and Chicago. The two recommendations contained in the report are:

- 1a. Develop and implement a plan to provide Seattle Technical Assistance Center staff with adequate and meaningful work that is commensurate with their grade level; and
- 1b. Determine if similar conditions exist at the Chicago Technical Assistance Center and take appropriate corrective action.

In reviewing the report and speaking with the supervisors of the Chicago TAC, we have determined that similar conditions do exist at the Chicago TAC. While we have been able to provide more meaningful work to Seattle and Chicago TAC staff in the form of billing and subsidy reviews, this is an interim measure and we are working on a long-term plan to more effectively utilize the staffs in both offices. Before the plan can be implemented and discussed with the employees, it will have to be presented to the Union and negotiated with them.

Therefore, in response to recommendation 1a, we are developing a plan for presentation to the Union that will enable us to effectively utilize the staff resources in Seattle and Chicago, as well as provide adequate and meaningful work that is commensurate with the grade levels.

We will complete our negotiations with the appropriate Union officials by June 30, 2002. If you have any questions, please contact me at 202-708-4924.

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