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2010 Decennial Census: Census Should Further Refine Its Cost Estimate for Fingerprinting Temporary Staff (OIG-19058-1)

Census must conduct background checks to assess the suitability of all temporary decennial employees. For the 2010 decennial, Census developed plans for the first time to submit fingerprints of all temporary employees with its background check requests to meet the requirements of the National Crime Prevention and Privacy Compact Act of 1998.¹ The Compact generally requires that biometric information² accompany any requests for criminal history records for noncriminal justice purposes, such as employment suitability. Additionally, fingerprinting temporary decennial hires will help mitigate the risk of hiring an estimated 13,000 temporary employees with unknown criminal backgrounds.³

Fingerprinting an estimated 1.3 million temporary employees could cost hundreds of millions of dollars and will add a major new operation to the decennial census. Census has changed its cost estimates several times to account for changing assumptions and operational plans. We examined Census's April 1, 2008, estimate of \$494 million in detail to assess the possibility for cost reductions within the general operational framework developed by Census. Our suggestions for savings contributed to Census's May 1, 2008, revised estimate of \$348 million (see table on the next page). However, we have identified several additional areas, described below, that require the bureau's attention to ensure the fingerprinting cost estimate is as accurate and reasonable as possible.

A more pressing concern, however, is that operational plans and funding for satisfying legal requirements under the Compact remain unresolved. We first urged Census and the Department to resolve the fingerprinting issue promptly in February 2008 and reiterated our concern in our March 2008 Semiannual Report to Congress. Commerce's June 2008 amended FY 2009 budget submission to Congress included \$10 million for Census's use in "exploring options to most efficiently incorporate fingerprinting into its overall screening process." According to the May 1, 2008, cost estimate for fingerprinting, however, Census will require \$56 million for fingerprinting during FY 2009. The continuing uncertainty surrounding fingerprinting plans increases operational risks and makes it impossible to accurately estimate and budget for decennial operations. Thus, it continues to be critically important that this issue be resolved promptly.

OUR FINDINGS

Developing practical operational scenarios and the associated cost estimates for fingerprinting all temporary decennial personnel is a complex undertaking that has been a major challenge for Census personnel. After reviewing the April 2008 cost estimate in detail, we identified several areas where the

¹ Sec. 217, 42 U.S.C. 14616

² Currently, fingerprints are the only form of biometric information accepted by the FBI.

³ The FBI estimates that about 1 percent of applicants will have criminal background records that are not correctly identified by a name check due to the lack of accompanying fingerprints. Applying this percentage to the projected 1.3 million temporary hires for the 2010 decennial, Census would be at risk of hiring 13,000 employees with unknown criminal backgrounds.

bureau could further reduce projected costs. We conveyed our findings verbally to Department and Census officials, and on May 1, the bureau released a revised estimate of \$348 million—\$146 million lower than the April estimate. The changes we suggested below accounted for approximately \$99.6 million of the reduction. We also identified several additional areas of potential savings that Census should consider, as well as some assumptions that Census should compare against benchmark data from the 2000 decennial to ensure it is not underestimating the cost in some areas.

Census Cost Estimates for Fingerprinting Temporary Decennial Employees

Date of Estimate	Amount	Key Assumptions
October 10, 2007	\$609 million	<ul style="list-style-type: none"> ○ Live-scan machines for fingerprinting^a ○ Hiring 1 million temporary workers (nonresponse follow-up using handheld computers)
November 12, 2007	\$363 million	<ul style="list-style-type: none"> ○ Ink-based fingerprint cards ○ Hiring 1 million temporary workers (nonresponse follow-up using handheld computers)
April 1, 2008	\$494 million	<ul style="list-style-type: none"> ○ Ink-based fingerprint cards ○ Hiring 1.3 million temporary workers (paper-based nonresponse follow-up)^b
May 1, 2008	\$348 million	<ul style="list-style-type: none"> ○ Ink-based fingerprint cards ○ Hiring 1.3 million temporary workers (paper-based nonresponse follow-up) ○ Cost reductions due to changes in operational assumptions (see discussion in body of report)

^a Census used live-scan fingerprint machines during the 2006 test in Austin, Texas, and Cheyenne, South Dakota. It decided that these systems would be too costly and complex for decennial operations.

^b The Department reported on April 3, 2008, that Census would not use handheld computers for nonresponse follow-up. Paper-based nonresponse follow-up operations will require additional staff because of decreased productivity.

Source: Census Bureau

Cost-saving measures identified

- Examiner training. Census’s original plans called for training approximately 288,000 fingerprint examiners at a cost of approximately \$540 per examiner. These examiners would then fingerprint temporary hires during a single 6-hour “administrative” day (on the Friday before enumerator training begins) at training locations across the country. Census had planned to send the fingerprints to the FBI over the intervening weekend with the hope that results will be returned before enumerators are sent to their assigned areas. We suggested that the bureau hold several administrative days rather than just one, which would reduce the number of examiners it needs and the associated recruitment and training costs. It would also provide the FBI with more time to process the fingerprints by allowing Census to forward some batches earlier than it otherwise could have.

In response to our suggestions, Census’s May 1 cost estimate assumes there will be two administrative days in urban and suburban areas that are in close proximity to one another, and have examiners travel from one location to the next to fingerprint temporary employees. This means the bureau will need about 60,000 fewer examiners and save \$30.5 million in related training costs.

- Spending on fingerprint kits. Census’s initial estimates assumed a separate fingerprint kit for each examiner. We found that the bureau could reduce the number of kits by having fewer examiners, who reuse their kits on successive administrative days. Separately, the Department suggested that

Census reuse some of the kits purchased to fingerprint recruits hired for operations that precede nonresponse follow-up (e.g., address canvassing), rather than buy new kits for each separate recruitment effort, as the bureau had planned to do. Census changed its cost model assumptions to account for reusing fingerprint kits, for a savings of \$23.0 million.

- Double-counted cost. The April estimate was inflated by \$46.1 million because it counted costs for 2 hours of administrative time during which enumerators would be fingerprinted and complete the necessary paperwork. But Census had also included this time in a separate training budget for decennial operations.

Concurrent with our review, the Department worked with Census to identify possible savings as well. They agreed to the measures below, which account for the remaining \$46.4 million eliminated from the April estimate.

- Reduced travel costs for attending administrative day. The April estimate assumed that temporary employees would travel an hour on average to attend the administrative session. At the recommendation of the Department, Census reduced this assumption to a half-hour, and then lowered the assumed average distance traveled to the session, which reduced the estimate for mileage reimbursement. By reducing the time and distance assumptions, the bureau cut \$30.9 million from the April estimate. However, Census's assumptions in its April and May estimates for average travel time and distance for enumerator training were not supported by benchmark data from the 2000 decennial. To the extent possible, these estimates should be based on benchmark data to lower the risk of underestimating costs.
- Smaller training sessions. Census reduced the size of each enumerator training session from 16 people to 12, which in turn reduced the assumed average time required for fingerprinting individual enumerators.
- Other changes. The May estimate incorporated several other changes and corrections that, together, accounted for a small additional reduction in costs: these included adjustments for handling personally identifiable information, reducing the number of scanners for scanning fingerprint cards, shipping the cards, hiring a contractor to train fingerprint examiners, and reducing fees paid to the FBI for conducting the checks.

Additional savings may be achievable

While the May estimate is substantially lower than the April one, we believe projected costs should be further evaluated as follows:

- Processing costs for fingerprint kits. The April estimate assumes a cost of approximately \$10 million to process fingerprint kits before distributing them to examiners. Census did not reduce this amount in the May estimate, even though the bureau now plans to purchase fewer kits. Since the processing costs are generally proportional to the number of kits purchased, the processing estimate should have dropped by about \$3.5 million.
- Additional administrative days. The May estimate assumes that Census will conduct administrative sessions in urban and suburban areas on two separate days. The bureau could further cut examiner training costs by holding multiple administrative days in some rural areas or by adding a third session in urban and suburban areas. This move would also allow Census to stagger the submission of fingerprints and allow the FBI to more easily meet the turnaround times needed by Census.
- Scanners and software costs. The April estimate assumes that Census will purchase 75 scanners and associated software to scan ink-based fingerprint cards, for a total cost of \$23.4 million. The May estimate reduced the number of scanners to 57, lowering the estimate by \$5.4 million. Better

sequencing the submission of fingerprint cards for scanning by holding more administrative day sessions could further reduce the number of scanners required.

In addition to these potential changes to the May 1, 2008, cost estimate, the Department and Census continue to discuss other operational scenarios that might reduce the cost of fingerprinting. Such scenarios include having Census crew leaders fingerprint their crew members (in lieu of hiring and training separate fingerprint examiners), fingerprinting only a sample of temporary employees, and developing a cooperative arrangement with law enforcement agencies to fingerprint Census personnel.

OUR RECOMMENDATIONS

The Department and the Census Bureau should:

- Finalize plans and cost estimates for fingerprinting temporary workers during 2010 that comply with all applicable legal requirements in order to reduce uncertainty and the associated operational and budget risks.
- Assess the cost and operational implications of (1) processing fewer fingerprint kits, (2) adding more administrative sessions, and (3) reducing the number of scanners required as more sessions are added.
- Further evaluate the time and distance assumptions required for travel to training locations to ensure that they are consistent with available benchmark data from the 2000 decennial.

SUMMARY OF CENSUS BUREAU'S RESPONSE

The Census Bureau provided a response to our draft report stating that Census and the Department have considered our recommendations and have made progress towards specifying the operational procedures and estimated costs of fingerprinting for the 2010 Census. Census anticipates that a decision on fingerprinting for the decennial will be made in the near future. The complete response is available at the OIG Census Reading Room: www.oig.doc.gov/oig/reports/census_reading_room/index.html.

BACKGROUND

Section 217 of the National Crime Prevention and Privacy Compact Act of 1998, 42 U.S.C. 14616, generally requires the submission of fingerprints (or other equally reliable biometric identification) with all requests for criminal history record information that are not related to criminal justice matters. For Census 2000, the bureau reported that the FBI agreed to conduct background checks on decennial applicants without requiring fingerprints. For the 2010 decennial, officials at Census, the Department of Commerce, the FBI, and the Office of Personnel Management have been discussing what the legal requirements are and how they can be satisfied.

OMB Circular A-94 states that agencies should consider all alternative means of achieving program objectives. The Government Accountability Office states that a complete cost analysis helps agency managers make better decisions and identify the lowest cost alternative. We reviewed Census's cost estimates to determine whether the bureau had met these criteria in developing its fingerprinting approach and projecting associated expenditures. We conducted this review in accordance with the Quality Standards for Inspections, issued by the President's Council on Integrity and Efficiency, and under the authority of the IG Act of 1978, as amended, and Department Organization Order 10-13 (dated August 31, 2006).