

The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment

REDACTED FINAL REPORT NO. OIG-22-021-I

May 9, 2022

CONTROLLED UNCLASSIFIED INFORMATION



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



May 9, 2022

MEMORANDUM FOR: Robert Santos
Director
U.S. Census Bureau

A handwritten signature in black ink, appearing to read "Arthur L. Scott, Jr.".

FROM: Arthur L. Scott, Jr.
Assistant Inspector General for Audit and Evaluation

SUBJECT: *The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment*
Redacted Final Report No. OIG-22-021-I

Attached for your review is our final report on the evaluation of the U.S. Census Bureau's (the Bureau's) Census Investigative Services (CIS) Division background investigation processing. The overall objective of our evaluation is to conduct a series of reviews to determine whether the Bureau's planning and execution of 2020 Census peak operations successfully reduced the risk to decennial census data quality and costs.¹ This version of the final report contains redactions made at the request of the Office of Personnel Management (OPM) to protect information that OPM identified as sensitive and nonpublic and that we are handling as Controlled Unclassified Information (CUI). Certain individuals at the Bureau have received an unredacted version of the final report after being authorized by OPM to receive the sensitive and nonpublic information.

Overall, we found that the Bureau continues to face longstanding challenges in providing sufficient governance for its personnel suitability program, which is necessary to ensure that background investigation requirements are met at its facilities. Specifically, we found the following:

- I. The Bureau continues to have a significant backlog of post-employment cases requiring adjudication and the actual number of cases requiring adjudication is questionable.
- II. Inadequate documentation and oversight have allowed quality problems regarding post-employment background investigations to persist.
- III. CIS did not properly adjudicate results for an estimated 7 percent of temporary 2020 Census pre-employment, fingerprint-only investigations.

¹ Every applicant selected for a Bureau job must go through a background check. To conduct the 2020 Census, the Bureau needed to recruit over two million people for short-term employment, which resulted in processing a significant number of background checks and clearance requests in the span of 1 year. To mitigate the risks associated with appropriately processing a significant number of background checks in time to meet staffing needs, the Bureau obtained the U.S. Department of Commerce's approval to streamline the background check process for 2020 Census staff with limited access to systems.

IV. The Census Hiring and Employment Check (CHEC) system² data is incomplete and, in some instances, inaccurate.

Pursuant to Department Administrative Order 213-5, please submit to us any action plan that addresses the recommendations in this report within 60 calendar days. This final report will be posted on the Office of Inspector General's website pursuant to sections 4 and 8M of the Inspector General Act of 1978, as amended (5 U.S.C. App., §§ 4 & 8M). The final version of the report posted to the website will also contain redactions made at OPM's request to protect CUI.

We appreciate the cooperation and courtesies extended to us by your staff during our evaluation. If you have any questions or concerns about this report, please contact me at (202) 577-9547 or Terry Storms, Division Director, at (202) 570-6903.

Attachment

cc: Corey J. Kane, Audit Liaison, Census Bureau
Kemi A. Williams, Program Analyst for Oversight Engagement, Census Bureau
Ken White, Audit Liaison, OUS/EA
MaryAnn Mausser, Audit Liaison, Office of the Secretary

² CIS uses the CHEC system to collect and review sensitive applicant information required to conduct background investigations.



Report in Brief

May 9, 2022

Background

We initiated this evaluation because our prior work has identified issues related to the U.S. Census Bureau's (the Bureau's) Census Investigative Services (CIS) operations.

Each applicant selected for a Bureau job goes through an independent background check. CIS manages the suitability clearance process for all Bureau personnel and contractors by applying U.S. Office of Personnel Management (OPM) standards, CIS procedures, and other criteria when reviewing documentation to evaluate an applicant's suitability and fitness for federal service. The background investigation at CIS usually involves two phases: (1) a pre-employment case review and suitability recommendation and (2) a post-employment adjudication, except for temporary 2020 Census employees who required limited access to Bureau facilities and systems.

The pre-employment case review is conducted by CIS and involves an analyst—either a federal employee or contractor—and a federally employed supervisor reviewing application documents for the accuracy and completeness of all required forms. Analysts make either a favorable or unfavorable recommendation regarding information contained in the forms. Supervisors either agree or disagree with the analyst's recommendation. If a favorable recommendation is approved by the supervisor, an entry on duty date is established. CIS then releases the investigative form—which is collected electronically—to the background investigations provider (formerly OPM) along with any other documentation, as required, for a background investigation. Since 2019, the background investigations have been conducted by the U.S. Department of Defense's Defense Counterintelligence and Security Agency (DCSA).

Why We Did This Review

The overall objective of our evaluation was to conduct a series of reviews to determine whether the Bureau's planning and execution of 2020 Census peak operations successfully reduced the risk to decennial census data quality and costs.

U.S. CENSUS BUREAU

The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment

OIG-22-021-I

WHAT WE FOUND

Overall, we found that the Bureau continues to face longstanding challenges in providing sufficient governance for its personnel suitability program, which is necessary to ensure that background investigation requirements are met at its facilities. Specifically, we found the following:

1. The Bureau continues to have a significant backlog of post-employment cases requiring adjudication and the actual number of cases requiring adjudication is questionable.
2. Inadequate documentation and oversight have allowed quality problems regarding post-employment background investigations to persist.
3. CIS did not properly adjudicate results for an estimated 7 percent of temporary 2020 Census pre-employment, fingerprint-only investigations.
4. The Census Hiring and Employment Check (CHEC) system data is incomplete and, in some instances, inaccurate.

WHAT WE RECOMMEND

We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division does the following:

1. Update the *Project Management Plan* to include (a) periodic reconciliations between the CHEC and DCSA reports, (b) quantifiable metrics for eliminating the backlog and (c) monitoring performance against established metrics.
2. Evaluate human capital needs and coordinate appropriate resources to manage adjudication backlog workload.
3. Strengthen management oversight of the adjudication process to verify (a) stringent reviews of serious adjudication issues are conducted, (b) cases are properly completed and appropriately reviewed by secondary reviewers or supervisors and signed off, (c) documentation requirements are met and (d) internal control mechanisms required by policy are properly implemented.
4. Take appropriate actions to recommend removal of any employee deemed unsuitable for federal employment based on post-employment adjudication results.
5. Resolve inaccuracies in the CHEC system and ensure complete, accurate, and reliable data are entered in the CHEC system.

Contents

| | |
|--|-----------|
| Background | 1 |
| Objective, Findings, and Recommendations | 3 |
| I. The Bureau Continues to Have a Significant Backlog of Post-Employment Cases Requiring Adjudication and the Actual Number of Cases Requiring Adjudication is Questionable..... | 4 |
| II. Inadequate Documentation and Oversight Have Allowed Quality Problems Regarding Post-Employment Background Investigations to Persist..... | 5 |
| III. CIS Did Not Properly Adjudicate Results for an Estimated 7 Percent of Temporary 2020 Census Pre-Employment, Fingerprint-Only Investigations | 8 |
| IV. The CHEC System Data Is Incomplete and, in Some Instances, Inaccurate..... | 10 |
| Conclusion..... | 11 |
| Recommendations | 12 |
| Summary of Agency Response and OIG Comments | 13 |
| Appendix A: Objective, Scope, and Methodology | 14 |
| Appendix B: Summary of Findings II and III..... | 17 |
| Appendix C: Agency Response..... | 19 |

Cover: Herbert C. Hoover Building main entrance at 14th Street Northwest in Washington, DC. Completed in 1932, the building is named after the former Secretary of Commerce and 31st President of the United States.

Background

We initiated this evaluation because our prior work has identified issues related to the U.S. Census Bureau's (the Bureau's) Census Investigative Services (CIS) operations, including the following in recent years:

- (1) *Post-employment adjudication.* The Bureau had not conducted post-employment adjudication of individuals identified as highest-risk according to U.S. Office of Personnel Management (OPM) background investigations.¹
- (2) *Pre-employment adjudication.* At the request of the North Carolina Congressional Delegation,² we reviewed CIS' hiring and vetting processes and found that CIS failed to identify and assess significant derogatory information, which resulted in the Bureau hiring a registered sex offender³ as well as employing individuals with derogatory information in positions that provided them access to information technology (IT) systems, federal facilities, and personally identifiable information.
- (3) *2020 Census Background Check Preparedness.* An OIG audit found that escalating costs and inadequate quality assurance practices posed significant risks to 2020 Census background check activities.⁴
- (4) *Significant employee misconduct.* As reported in September 2015, an OIG investigation found pervasive employee misconduct in the Census Hiring and Employment Check Office (currently called CIS), which occurred over several years and included widespread time and attendance violations. The investigation also found that the Bureau did little quality control on the background check work completed by employees.⁵

Each applicant selected for a Bureau job goes through an independent background check. CIS manages the suitability clearance process for all Bureau personnel and contractors by applying OPM standards, CIS procedures, and other criteria when reviewing documentation to evaluate an applicant's suitability and fitness for federal service. The background investigation at CIS usually involves two phases: (1) a pre-employment case review and suitability recommendation and (2) a post-employment adjudication, except for temporary 2020 Census employees who

¹ DOC OIG, April 30, 2020. *Management Alert: The Census Bureau Has Not Adjudicated Hundreds of Individuals Identified as Highest-Risk in OPM Background Investigations*, OIG-20-023-M. Washington, DC: DOC OIG.

² DOC OIG, December 10, 2019. *IG Letter to NC Delegation re: the Census Bureau's Background Check and Hiring Process*, OIG-20-012-M. Washington, DC: DOC OIG.

³ Although a criminal conviction does not generally present a bar to federal service per OPM's suitability regulation, criminal conduct may form the basis for finding one unsuitable or unfit for employment. Agencies must consider available information to determine whether the conduct may have an adverse effect on the integrity and efficiency of the service. Our review of this case found that there was no evidence in the CHEC file that the CIS analyst who adjudicated the case conducted any reviews or analysis of the criminal record associated with the case.

⁴ DOC OIG, February 27, 2018. *2020 Census: The Bureau's Background Check Office is Not Fully Prepared for the 2020 Census*, OIG-18-015-A. Washington, DC: DOC OIG.

⁵ DOC OIG, September 14, 2015. *Allegations of Time and Attendance Fraud and Other Misconduct by Employees in the Census Hiring and Employment Check Office*, 14-0790. Washington, DC: DOC OIG.

required limited access to Bureau facilities and systems (see finding III for additional explanation).

The pre-employment case review is conducted by CIS and involves an analyst—either a federal employee or contractor—and a federally employed supervisor reviewing application documents for the accuracy and completeness of all required forms. Analysts make either a favorable or unfavorable recommendation regarding information contained in the forms.⁶ Supervisors either agree or disagree with the analyst’s recommendation. If a favorable recommendation is approved by the supervisor, an entry on duty (EOD) date is established. CIS then releases the investigative form—which is collected electronically—to the background investigations provider (formerly OPM) along with any other documentation, as required, for a background investigation. Since 2019, the background investigations have been conducted by the U.S. Department of Defense’s Defense Counterintelligence and Security Agency (DCSA).

At this point in the process, the applicant begins to work on the EOD date and continued employment is contingent on a favorable suitability determination for federal employment based on the post-employment adjudication. During this process, DCSA conducts the background investigation and, if negative information is identified, OPM has a systematic approach for evaluating the seriousness and relevance of suitability issues that includes a characterization of issues flagged by the investigating agency. OPM characterizes each issue according to seriousness and the potential for a negative suitability determination. Each identified issue is assigned one of four rankings: *A—minor*; *B—moderate*; *C—substantial*; or *D—major*. A *D—major* ranking would normally flag conduct or an issue that could form the basis of a negative suitability determination for any position.

After the investigation is completed, OPM electronically sends the background investigation file, along with the case seriousness categorization, back to CIS. OPM marks the investigations as “closed” and CIS staff must adjudicate the background investigation by making a final determination as to whether the employee is suitable for federal employment. CIS staff must adjudicate all investigations closed by OPM. If the information included in OPM’s investigation results in CIS reaching a negative suitability determination for the position, the Bureau can remove the applicant from federal service.

⁶ For applicant screening, if issues of potential suitability concern are identified, OPM provides guidance on gathering more information to determine if the issue may warrant a suitability action, in which case CIS would follow the suitability action procedures described in 5 C.F.R. Part 731.

Objective, Findings, and Recommendations

The overall objective of our evaluation is to conduct a series of reviews to determine whether the Bureau's planning and execution of 2020 Census peak operations successfully reduced the risk to decennial census data quality and costs. One of the reviews we initiated to address this objective was an evaluation of the Bureau's background check process. Specifically, we assessed whether (1) CIS requested additional documentation and information when clearing post-employment adjudication⁷ cases with major issues to ensure issues that resulted in a "D" characterization⁸ were resolved; and (2) CIS adequately monitored fingerprint adjudications to ensure that the pressure to quickly hire individuals for the 2020 Census did not result in staff ignoring the requirement to request additional documentation when potential issues were disclosed in Federal Bureau of Investigation (FBI) reports. See appendix A for a more detailed description of our scope and methodology.

Overall, we found that the Bureau continues to face longstanding challenges in providing sufficient governance for its personnel suitability program, which is necessary to ensure that background investigation requirements are met at its facilities. Specifically, we found the following:

- I. The Bureau continues to have a significant backlog of post-employment cases requiring adjudication and the actual number of cases requiring adjudication is questionable.
- II. Inadequate documentation and oversight have allowed quality problems regarding post-employment background investigations to persist.
- III. CIS did not properly adjudicate results for an estimated 7 percent of temporary 2020 Census pre-employment, fingerprint-only investigations.
- IV. The Census Hiring and Employment Check (CHEC)⁹ system data is incomplete and, in some instances, inaccurate.

Our work over the last 2 ½ years found that the Bureau has hired individuals that had major issues in their background investigations where those issues were not properly explored and assessed by the adjudicator. Unless controls are implemented and data are improved, the Bureau will continue to lack assurance that employees are suitable for their position.

⁷ Adjudication includes reviewing the impact of any derogatory information from an investigation on an individual's suitability for federal employment.

⁸ DCSA, and formerly OPM, conducts the background investigations and OPM has a systematic approach for evaluating the seriousness and relevance of suitability issues when negative information is identified. The system includes a characterization of issues identified in the investigation. The investigating agency assigns one of four rankings: *A—minor*; *B—moderate*; *C—substantial*; or *D—major*. A *D—major* ranking would normally flag conduct or an issue that could form the basis of a negative suitability determination for any position.

⁹ CIS uses the CHEC system to collect and review sensitive applicant information required to conduct background investigations.

I. The Bureau Continues to Have a Significant Backlog of Post-Employment Cases Requiring Adjudication and the Actual Number of Cases Requiring Adjudication is Questionable

In April 2020,¹⁰ we issued a management alert identifying significant concerns regarding the Bureau's backlog of un-adjudicated OPM background investigations. We reported that the Bureau did not conduct post-employment adjudication of OPM investigations in a timely manner. For example, as of November 3, 2019, the Bureau had not adjudicated more than 10,000 OPM background investigations, some of which date back to 2014. Additionally, more than 700 had issues that the investigating agency deemed "major." Almost 300 of these individuals worked for the Bureau in FY 2019, including roughly 70 who worked the address canvassing operation during fall 2019. Failure to conduct post-employment adjudications in a timely manner means that individuals with significant background issues will continue to work for the Bureau and potentially have access to sensitive information and facilities.

As of December 1, 2021 (over 2 years later), CIS still has not conducted post-employment adjudication on at least 5,484 cases dating back to 2014. However, according to DCSA's October 1, 2021,¹¹ records, 12,017 cases required post-employment adjudication by CIS. Although there is a timing difference between CIS' and DCSA's reporting periods, 6,533 more cases or 54 percent, is a significant difference from CIS' number. CIS management could not confirm whether its number of cases is accurate and stated the difference of 6,533 cases cannot be entirely attributed to post-employment adjudication processing. However, CIS management could not provide any documentation supporting their statement that the 6,533 cases were not entirely attributed to post-employment adjudication processing. We consider CIS not knowing the exact number of cases requiring adjudication to be a significant internal control weakness, given the sensitivity of Bureau data and potential risk to public safety that exists by allowing personnel who have unadjudicated derogatory information in their background investigations to have continued access to Bureau information and systems. We attribute CIS not knowing the exact number of cases requiring adjudication to the fact that CIS management does not reconcile the DCSA overdue adjudications report to CHEC data.

Additionally, federal regulation¹² requires agencies to report adjudicative decisions to OPM within 90 days of the receipt of the final investigative report. However, we found that the Bureau did not consistently adjudicate cases within the 90-day requirement. As of December 2021, of the 5,484 cases requiring post-employment adjudication, at least 2,685¹³

¹⁰ OIG-20-023-M.

¹¹ OPM's October 1, 2021, records were the most recent records available at the time of our evaluation.

¹² 5 C.F.R. 731.203(g).

¹³ The 2,685 figure represents cases that required post-employment adjudication between 2014 and 2020. CIS was unable to provide the number of cases received during 2021 that were beyond the 90-day requirement, so the actual number will be higher.

were not processed within 90 days, with one case dating back to 2014 and eight cases dating back to 2015.

According to the CIS Division Chief, the priority to complete pre-employment adjudications to support the 2020 Census, coupled with the decision to cease post-investigation activities, contributed to CIS' inability to adjudicate cases within the 90-day requirement.¹⁴

Consequently, in March 2020, the Bureau created a *Project Management Plan* that outlined how CIS planned to reduce the backlog, however, it did not establish a timeline or metrics for when and how the backlog would ultimately be cleared. The Bureau would benefit from developing and using metrics to measure the progress in reducing its case backlog. As of November 2021, there have been no updates to the *Project Management Plan*.

Another reason why CIS has not eliminated the backlog or adjudicated cases quicker is because the office is short-staffed with four employees, including one team lead, dedicated full-time to the adjudication of thousands of post-employment cases. Although adjudicators work 20 to 30 cases at a time, the volume of the paperwork that the adjudicator must review and any necessary follow up actions required by CIS policy—such as sending and reviewing responses to letters of interrogatory¹⁵ (LOIs)—inhibits CIS from quickly reducing the backlog.¹⁶ Additionally, the post-employment workload includes not only the cases in the backlog, but also incoming cases, which further affects CIS' ability to work through older post-employment cases. While hiring related to the 2020 Census has ended, CIS is still impacted by the background investigations that must be processed to hire for other Bureau surveys, which contributes to its workload of recent post-employment cases.

Delays in processing post-employment cases for individuals with major suitability issues increases the risk that applicants may move forward in the hiring process without the required vetting and who may not be suitable for federal employment.

II. Inadequate Documentation and Oversight Have Allowed Quality Problems Regarding Post-Employment Background Investigations to Persist

OPM requires that individuals seeking admission to the civil service undergo an investigation to establish suitability for employment. OPM standards for determining suitability for federal employment require maintaining documentation of the adjudicative process, including documentation that establishes why a favorable determination was made and that the seriousness of the issues along with other factors were considered.

¹⁴ A consequence of these circumstances created a backlog of about 11,000 cases as of March 2020.

¹⁵ A letter of interrogatory (LOI) is sent to applicants with prior arrests and convictions within the last 7 years to obtain additional information when there is no disposition for, or a statement regarding, the circumstances of events that led to the charge. An LOI must also be sent to any applicant with delinquent accounts, accounts in collection, and tax liens and judgments. If the applicant does not respond to the LOI, CIS will make a suitability determination based on the information available.

¹⁶ An executive report CIS provided to OIG shows that during one week in November 2021, adjudicators processed just 34 post-employment cases.

However, we found there were inconsistent practices within CIS related to making final suitability determinations and requesting or maintaining adequate justification documentation. In order to determine whether CIS properly documented its rationale when favorable determinations were made, we selected and tested a judgmental sample of 46 cases that the investigating agency characterized as having *D–major* issues. According to OPM’s issue characterization, these 46 cases potentially contain major conduct or issues that, standing alone, could result in a negative determination which, therefore, makes the adjudication of their cases a priority. Of the 46 cases we sampled, we found 13 in which CIS did not follow either OPM or CIS documentation standards. Five of these individuals are still employed at the Bureau and the remaining eight individuals have separated from the Bureau. Examples of the 13 cases include:

- **Controlled Unclassified Information (CUI)**
[Redacted]
- **Controlled Unclassified Information (CUI)**
[Redacted]
- **Controlled Unclassified Information (CUI)**
[Redacted]

Controlled Unclassified Information (CUI)
[Redacted]

Controlled Unclassified Information (CUI)
[Redacted]

Table B-1 (see appendix B) summarizes the cases that are missing either documentation or information needed to establish why CIS made a favorable determination. Had these cases been processed in accordance with OPM requirements and CIS procedures, CIS adjudicators would have obtained additional documentation and information related to the major issues and explanations for its actions would have been recorded in the adjudication summary or the CHEC notes. Of the cases for which CIS staff did prepare an adjudication summary, the summary explains CIS' decisions and case findings, whereas CIS' actions during the review—such as telephone calls made, LOIs sent, and LOI responses received—were often described in the CHEC system notes. Because requesting additional documentation or maintaining documentation supporting decisions about major issues varied among CIS adjudicators, final suitability determinations were not being consistently assessed to ensure employees were thoroughly vetted and suitable for federal employment.

Furthermore, we found that the Bureau continues to face challenges concerning secondary and supervisory personnel providing adequate quality assurance reviews to ensure background investigations were properly completed. In February 2018,¹⁹ we issued a report that concluded, in part, that CIS supervisors may not be adequately reviewing suitability recommendations. CIS standard operating procedures (SOPs) required a supervisor to perform supervisory reviews, which included a full on-line review of every electronic form included in the applicant file, and then formally approving or denying the recommendation. In response to our report, the Bureau agreed to our recommendation to develop written policies and procedures that address supervisory and employee responsibilities in approving background check applications. The Bureau stated it revised its CIS SOP to outline the supervisory function within the CHEC system and modified the system to prevent supervisors from making a final determination on any security record without reviewing all required documentation received from the prospective hires or contractor.

In addition, in our December 10, 2019, response to a Congressional request regarding the hiring process of a registered sex offender at its Charlotte, North Carolina, Area Census Office (ACO), we found, in part, that the CIS supervisor—contrary to policy—failed to conduct a full review of the case file and return it to the specialist for further action. We identified actions that the Bureau should implement such as quality assurance reviews of CIS supervisory determinations, to ensure that supervisors are conducting adequate reviews, and that adjudications are properly determined and supported. CIS personnel told us that they took action by assigning one person responsible for providing quality assurance over pre-employment adjudication cases. CIS management also told us that no significant issues have been identified by these reviews.

Despite Bureau actions, we still continue to find issues with secondary and supervisory personnel not consistently reviewing post-employment adjudications in sufficient detail to detect and prevent instances of missing documentation and explanations in case files. Because some CIS personnel who reviewed the post-employment cases no longer work for CIS, we had to rely on current CIS management to provide reasons for the lack of sufficient reviews, however they couldn't explain the actions taken by former CIS personnel.

¹⁹ OIG-18-015-A.

CIS did train staff responsible for adjudicating cases. CIS management expects its adjudicators to follow OPM's *Suitability Processing Handbook* and placed clarifying guidance on its intranet site for reference. However, CIS management told us that the complexity of some cases and the volume of investigation documentation associated with these cases resulted in a heavy workload.

The lack of oversight increases the risk of unknowingly allowing unsuitable individuals into positions of public trust, which could cause harm to the Bureau.

III. CIS Did Not Properly Adjudicate Results for an Estimated 7 Percent of Temporary 2020 Census Pre-Employment, Fingerprint-Only Investigations

Individuals applying for temporary 2020 Census decennial positions with limited access to Bureau systems underwent background investigations that followed an abbreviated adjudication process. The reason for this abbreviated adjudication process was to expedite the recruitment of more than two million individuals and process clearance requests over the span of 1 year to meet the staffing needs to conduct decennial operations. This revised process eliminated the need for some positions (for example, Area Census Office clerks and Bureau enumerators, census field supervisors, office operations supervisors, and recruiting assistants) to receive an OPM background investigation, thereby relying solely on CIS processing to (1) identify suitability issues and (2) determine one's fitness for federal service. The expedited process still required identity verification, FBI fingerprint checks, and the submission of forms, such as the *Declaration for Federal Employment*. Due to the expedited nature of the adjudication process, we conducted this review to ensure these applicants were properly adjudicated.

We used a stratified random sample to select 68 fingerprint-only pre-employment background investigations. We pulled the sample from a population of 91,924 pre-employment background investigations requested between January 15 and September 30, 2020, for applicants whose fingerprints resulted in the FBI disclosing that the applicant has a criminal arrest, charge, or conviction. We reviewed FBI and other records to determine whether (1) the fingerprints were current, (2) the required paperwork was submitted and reviewed by CIS staff, and (3) the case documentation indicated that CIS staff followed OPM requirements and CIS procedures in determining suitability for employment. See appendix A for additional explanation about this sample.

Of our 68 sample cases, 10 cases included either an actionable criminal charge or another factor, such as termination from a job or delinquent debt that required adjudication before CIS could make a determination. Of those 10 cases, 5 applicants—who applied to work as enumerators and would interact with the public in that capacity—were not adjudicated properly because CIS staff did not follow either OPM standards or CIS procedures, or both. For those 5 cases, CIS procedures require that an LOI is sent to the applicant; however, CIS did not send any of these LOIs, yet the cases were still adjudicated favorably. The Bureau hired 4 of those 5 individuals to work as enumerators during 2020 Census field operations. Table B-2 in appendix B summarizes the fingerprint-only cases that were not adjudicated properly according to OPM standards and CIS procedures. Some of the

background checks we reviewed that deviated from procedures included the following issues:

- A CIS analyst incorrectly concluded that an applicant's 2016 simple assault charge was out of scope despite CIS' *2020 Decennial Crime and Timeframe Matrix Chart*²⁰ specifying that the correct time frame to classify a charge as "out of scope" is 5 years and, therefore, an LOI should have been sent. Based on our review of the Decennial Applicant Personnel and Payroll System (DAPPS) records, the enumerator worked in the Nonresponse Followup (NRFU) operation for about 38 days.
- An applicant charged with attempted first degree burglary in 2011 did not receive an LOI when, according to CIS' *2020 Decennial Crime and Timeframe Matrix Chart*, the timeframe designation for burglary is 10 years. CIS management informed us that based on the CHEC system case notes, its analyst incorrectly considered the charge as out of scope. An LOI should have been sent to this applicant based on the charge, timeframe, and lack of disposition to determine if there was a conviction. Based on our review of DAPPS records, this individual worked as an enumerator in the NRFU operation and in the Service-Based Enumeration production for about 69 days.
- An LOI was not sent to an applicant with felonious assault with a gun, forgery, domestic violence, and disorderly conduct charges spanning from 1981 to 2006, as the charges were determined to be out of scope. However, CIS' *2020 Decennial Crime and Timeframe Matrix Chart* states that any felony aggravated by the use of a firearm or explosive is high risk and has no timeframe designation. We asked CIS management about this case and learned that rather than evaluating the felonious assault with a gun charge, the CIS analyst evaluated the applicant's misdemeanor assault crime, which was reduced and the final court disposition for the charge was a misdemeanor assault. It would be a departure from OPM standards to adjudicate without considering the actual conduct, the application of additional considerations where pertinent, and ultimately whether the individual's conduct may impact the integrity and efficiency of the service. Therefore, CIS should have sent an LOI to obtain additional information from the applicant.

The three CIS analysts that improperly adjudicated these three cases as nonactionable and favorable may have done so because they were not adequately reviewing the CHEC case's supporting documentation due to pressure to review a significantly higher number of cases.

Based on the 68 cases we tested, 7.4 percent²¹—i.e., 6,802—fingerprint-only cases were not properly adjudicated, resulting in persons with significant issues working for the Bureau and, in some instances, contacting households during the 2020 Census NRFU operation.

²⁰ Bureau staff, as well as one psychologist and two law enforcement experts, created the *2020 Decennial Crime and Timeframe Matrix Chart* to standardize the LOI process. Crimes that appear on the matrix are to receive an LOI, unless the timeframe indicated has passed.

²¹ We produced estimates at a 90 percent confidence level and the margin of error is +/- 5.3 percentage points.

1.5 percent²²—i.e., 1,379—cases did not contain the required case notes indicating all paperwork was reviewed by the CIS analyst.

During our evaluation, we determined that CIS did not follow OPM standards and CIS procedures for these cases due to CIS analysts' errors when using the *2020 Decennial Crime and Timeframe Matrix Chart*, leading to incorrect determinations of crimes as nonactionable and, therefore, failing to request the required additional documentation to consider and include in the review process. CIS procedures require that secondary reviewers and supervisors review the analysts' work; however, both also failed to identify the errors and take corrective action. As mentioned in the background section of this report and in footnote 2, we observed and reported on a similar problem with CIS supervisors concurring with CIS staffs' recommendations without first examining whether staff properly followed-up on derogatory information in the case file.

Additionally, our analysis of CHEC data shows that to meet 2020 Census hiring goals, CIS staff had to process and review significantly more pre-employment cases, which resulted in higher workloads than their expected workloads. Specifically, CIS analysts are expected to review pre-employment background CHEC case documentation and make an adjudication recommendation at least 20 times a week. The actual number of CHEC cases reviewed with recommended adjudications by some CIS analysts ranged from 1.5 to 2.2 times more than the expected rate.

Ineffective oversight of the 2020 Census pre-employment background investigations adjudications process increases the risk of unsuitable individuals working in positions of public trust and, in some cases, contacting the public on the Bureau's behalf or accessing sensitive Bureau information such as household data.

IV. The CHEC System Data Is Incomplete and, in Some Instances, Inaccurate

CIS uses the CHEC system to collect and review sensitive applicant information required to conduct adjudication of background checks. The CHEC system contains the results of CIS' work and its justification for suitability decisions.

U.S. Government Accountability Office *Standards for Internal Control in the Federal Government* states, “[m]anagement designs control activities over the information technology infrastructure to support the completeness, accuracy, and validity of information processing by information technology.”²³ We reviewed data and reports generated from the CHEC system and found errors such as (1) blank fields for dates that identify when cases were assigned to analysts or when a case's adjudicative action was reported to OPM, (2) incomplete records including missing response dates for LOIs, and (3) inaccurate and

²² We produced estimates at a 90 percent confidence level and the margin of error is +/- 2.5 percentage points.

²³ U.S. Government Accountability Office, September 2014. *Standards for Internal Control in the Federal Government*, GAO-14-704G. Washington, DC: GAO, principle 11.09. Available online at <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed November 1, 2021).

missing position sensitivity levels (PSLs).²⁴ Based on our review of the CHEC data and post-employment cases that we judgmentally selected for examination, we identified 37 cases that we either knew or suspected had incorrect PSLs associated with the case.

According to CIS managers, some data fields in the CHEC system were blank because the results in those fields are not required based on the position or type of investigation. CIS managers also stated that for some of the older cases, the data in the field was not obtained or required at the time the case was created.

According to the CIS Division Chief, inaccurate PSL data in the CHEC system potentially occurred when incorrect PSL data was recorded in the Census Human Resources Information System (CHRIS)²⁵ and subsequently transferred to and recorded in the CHEC system. Of the 84 cases in our PSL analysis, 37 had an incorrect PSL in CHEC. CIS currently has no process for assessing whether CHEC data is accurately transferring from CHRIS and there are no quality control checks of the data. If incorrect PSL data go undetected and left uncorrected, an applicant could undergo an inaccurate level of background investigation for their position. For the cases within our evaluation, we did not identify instances when a background investigation was conducted at a lower level than required.

Conclusion

Background investigations are a critical process to help protect the nation's interests by providing a means to establish and maintain trust in the federal government workforce. An effective background investigation adjudication program reduces the risk that an agency will hire or retain unsuitable employees. To be effective, a program must have policies and strong oversight that provides direction on agency compliance with federal regulations and agency personnel security requirements and should consistently produce thorough and timely background investigation adjudications. In addition, a program must be supported by adequate data systems. By addressing the issues identified in this report, we believe that the Bureau can better ensure that its background investigation program meets these basic goals and that individuals are properly vetted and suitable for employment.

²⁴ The position designation and PSL—which CIS receives from either Census Human Resources Division or the contracting officer's representative if the individual will work as a contractor—determines the appropriate investigation level for each position.

²⁵ The Census Human Resources Information System (CHRIS) is a suite of workforce management applications. CHRIS is key in helping employees keep track of all human resources-related information such as personnel action history. CHRIS contains components used by the Bureau's Human Resources Division and hiring managers, such as the Electronic Hiring System, which is used to hire applicants eligible for Schedule A and veterans' preference.

Recommendations

We recommend that the Director of the U.S. Census Bureau ensure the Census Investigative Service Division does the following:

1. Update the *Project Management Plan* to include (a) periodic reconciliations between the CHEC and DCSA reports, (b) quantifiable metrics for eliminating the backlog and (c) monitoring performance against established metrics.
2. Evaluate human capital needs and coordinate appropriate resources to manage adjudication backlog workload.
3. Strengthen management oversight of the adjudication process to verify (a) stringent reviews of serious adjudication issues are conducted, (b) cases are properly completed and appropriately reviewed by secondary reviewers or supervisors and signed off, (c) documentation requirements are met and (d) internal control mechanisms required by policy are properly implemented.
4. Take appropriate actions to recommend removal of any employee deemed unsuitable for federal employment based on post-employment adjudication results.
5. Resolve inaccuracies in the CHEC system and ensure complete, accurate, and reliable data are entered in the CHEC system.

Summary of Agency Response and OIG Comments

On April 15, 2022, we received the Bureau's response to our draft report. In response to our draft report, the Bureau concurred with all of our recommendations and described actions they have taken, or will take, to address them. The Bureau's response to finding I in our report states that according to DCSA, the Bureau has 4,915 overdue post-employment cases dating back to 2016. The number of overdue cases that the Bureau cites is 569 fewer cases than OIG reported. While OIG has not verified the amount of overdue post-employment cases cited in the Bureau's response, OIG acknowledges the Bureau's actions to reduce the backlog of overdue cases. The Bureau's complete response—which also included general comments—is in this report as appendix C.

We are pleased that the Bureau concurs with our recommendations and look forward to receiving an action plan that will provide details on their corrective actions.

Appendix A: Objective, Scope, and Methodology

The overall objective of our evaluation is to conduct a series of reviews to determine whether the Bureau's planning and execution of 2020 Census peak operations successfully reduced the risk to decennial census data quality and costs. As part of this review, we assessed whether (1) CIS requested additional documentation and information when clearing post-employment adjudication cases with major issues to ensure issues that resulted in a "D" characterization were resolved; and (2) CIS adequately monitored fingerprint adjudications to ensure that the pressure to quickly hire individuals for the 2020 Census did not result in staff ignoring the requirement to request additional documentation when potential issues were disclosed in FBI reports. We initiated this evaluation of CIS background investigation processing on June 24, 2020.

To accomplish our first and second objectives, we performed the following actions:

- Reviewed relevant law, policies, and guidance to understand background investigation processing at CIS, including the following:
 - OPM Suitability Federal Investigative Services Division *Suitability Processing Handbook*, dated September 2008
 - Code of Federal Regulations, Title 5, Chapter 1, Subchapter B, Part 731, *Suitability*
 - Bureau memorandum dated November 12, 2019, requesting Department approval to modify background processing for 2020 Census staff working a short duration with limited access to systems and the Department's response, dated November 13, 2019, indicating concurrence with the Bureau's request
 - CIS Decision Memorandums (Numbers 1–15)
 - *CIS 2020 Decennial Crime and Timeframe Matrix Chart*
- Interviewed the Bureau's Chief Administrative Officer to understand the events that led to the decision to reorganize CIS, as well as the timeline and purpose of the reorganization.
- Reviewed the CIS organization chart, employee roster, and background information to understand the division's structure.
- Reviewed operating procedures, onboarding processing manuals, training presentations, and the *CIS Secondary Review Checklist* to determine expectations CIS management communicated to the staff who conduct pre-employment background reviews and make post-employment suitability determinations.
- Observed a CHEC system demonstration provided by CIS managers and team leads to understand how background investigations are performed and monitored.

- Obtained and analyzed data from the CHEC system, such as the *All Cases Post* report and CHEC notes. CIS staff manually added notes to a case to explain their actions and decisions.
- Reviewed records such as adjudication summaries, OPM/DCSA Investigative Results Reports, Case Closing Transmittals, *Declarations for Federal Employment*, e-QIP (Electronic Questionnaires for Investigations Processing), and investigations forms to understand what documentation CIS staff reviewed to adjudicate post-employment cases.
- Reviewed forms and documents such as U.S. Census Employment Applications, FBI records, LOIs, and LOI responses for 68 pre-employment cases to determine whether CIS staff completed the background reviews according to OPM requirements and CIS procedures.
- Obtained the *CIS Executive Report* and a list of overdue adjudications to determine which cases were ready for review, cleared during the week, or closed.

For the first objective, we evaluated whether CIS requested additional documentation when favorable determinations were made on *D–major* cases. We chose post-employment cases based on the investigating agency’s characterization that the applicants had *D–major* issues and the PSL assigned to their positions is high-risk/critical-sensitive (for example, IT positions), which indicates that the individual worked in a position with access to Bureau information and systems. We chose cases with a favorable determination because these cases could have resulted in ongoing employment with the Bureau. In the CHEC report provided to OIG on December 10, 2020, there were 1,020 cases that met this criteria and we judgmentally selected 46 post-employment cases that CIS staff created and favorably adjudicated between January 1, 2015, and December 3, 2020. To ensure our selection included individuals in the highest-risk positions, we used a CHEC report to select cases with a PSL of high-risk/critical sensitive. After reviewing the CHEC notes and documentation associated with the 46 cases, we learned the CHEC report may not be accurate and that only 9 of the 46 cases we reviewed had the correct PSL of high-risk/critical-sensitive (see finding IV). However, because all 46 cases met the objective of testing (reviewing cases OPM characterized as *D–major*), we did not revise the selection.

As part of the first objective, we also judgmentally selected 106 canceled cases to assess whether applicants worked for and separated from the Bureau before CIS completed a post-employment adjudication. For the applicants that did work before the case was canceled, we evaluated how long they worked for CIS. These applicants were chosen from the post-employment adjudication cases with an OPM *D–major* characterization. We selected applicants in managerial and supervisory positions since they likely hold a greater level of responsibility and their continued employment increases risk of harm or damage to the Bureau if determined to be unsuitable.

For the second objective, we reviewed a sample of pre-employment, fingerprint-only investigations that were conducted for five types of temporary 2020 Census employees, stratified on the LOI sent date. We also considered whether the applicant’s fingerprint results were identified as “Ident,” meaning there is an FBI record for the fingerprints submitted. Ident

results require adjudication. We limited the population of cases to those with a requested date after January 14, 2020 because on that date, CIS changed its process to consider any charge with a disposition of dismissed as “non-actionable.” Our sample of cases came from a population of 91,924 pre-employment investigations for 2020 Census positions subject to the Department-approved fingerprint-only process. We determined the sample size of 68 cases in order to produce estimates at a 90 percent confidence level with a margin of error no greater than plus or minus 10 percentage points. The cases included investigations conducted from January 15, 2020, to September 30, 2020, for five temporary 2020 Census positions including enumerators, field supervisors, clerks, office operations supervisors, and recruiting assistants.

Data from computer-based systems was not significant to our evaluation objectives and, therefore, we did not rely solely on computer-processed data to address the objectives of this evaluation. However, we relied on computer processed data from the CHEC system to develop our samples, in addition to other evidence to answer our evaluation objectives. Other evidence consisted of forms and supporting documents stored in the CHEC system, such as the notes CIS staff recorded to explain actions taken and their determination for each case. We performed procedures to verify the validity and reliability of that data. While we are aware of weaknesses with the CHEC system, which we identified in this report, we believe that the documents obtained from the CHEC system are sufficiently reliable and valid.

We conducted our evaluation from June 2020 through July 2021 under the authority of the Inspector General Act of 1978, as amended (5 U.S.C. App.), and Department Organization Order 10-13, dated October 21, 2020. We performed our fieldwork remotely.

We conducted this evaluation in accordance with the *Quality Standards for Inspection and Evaluation* (January 2012) issued by the Council of the Inspectors General on Integrity and Efficiency. Those standards require that we plan and perform the evaluation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

Appendix B: Summary of Findings II and III

Table B-1. Controlled Unclassified Information (CUI)

| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
|------------|------------|------------|------------|
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |
| ■ | [REDACTED] | ■ | ■ |

Source: OIG analysis of 46 favorably adjudicated post-employment cases, including records from the CIS CHEC system and documents from OPM's background investigations

Table B-2. **Controlled Unclassified Information (CUI)**

Source: OIG analysis of 68 fingerprint-only pre-employment cases

Appendix C: Agency Response



UNITED STATES DEPARTMENT OF COMMERCE
U.S. Census Bureau
Office of the Director
Washington, DC 20233-0001

April 15, 2022

MEMORANDUM FOR: Arthur L. Scott Jr.
Assistant Inspector General
for Audit and Evaluation

FROM: Robert L. Santos 
Director
U.S. Census Bureau

SUBJECT: *"The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment Response"*

Thank you for the opportunity to provide comments to the Office of Inspector General's draft report titled, *"The Census Bureau Needs to Improve Management and Oversight of Vetting Employees to Avoid Hiring Unsuitable Individuals for Federal Employment Response"* dated April 4, 2022. The U.S. Census Bureau respectfully submits the attached comments.

Attachment



[census.gov](https://www.census.gov)

**U.S. Census Bureau Comments on Office of Inspector General Draft Report:
*“The Census Bureau Needs to Improve Management and Oversight of
Vetting Employees to Avoid Hiring Unsuitable Individuals
for Federal Employment Response”*
April 2022**

General Comments

The U.S. Census Bureau appreciates the opportunity to comment on this draft report. We take the background investigation process very seriously, recognizing the imperative to both protect our data and to preserve public trust. We understand the importance of thorough adjudication of all employees through the appropriate investigation processes. While your report details four specific findings, it is important to note that we have a rigorous pre-employment investigation process to ensure employees are suitable for employment. During the pre-employment process, all potential employees are fingerprinted and properly vetted through a formal check with the FBI. In addition, all pre-employment investigations have a primary reviewer and a secondary approver for quality control.

The U.S. Census Bureau has already begun implementation of various process changes ahead of the final report. We will continue to document steps taken to address the findings and recommendations made by your office throughout this review and will work with you to provide an Action Plan to document these improvements.

We have the following comments regarding the four findings and five recommendations in your draft report.

FINDING: The Bureau Continues to Have a Significant Backlog of Post-Employment Cases Requiring Adjudication and the Actual Number of Cases Requiring Adjudication is Questionable

The Census Bureau agrees with the finding that there is a backlog of Post-Employment Cases Requiring Adjudication and has made positive strides to reduce the backlog. Census Investigative Services (CIS) began actively taking steps to prepare a staffing and management plan to decrease this backlog in November 2019 during the height of the 2020 Decennial Census hiring period. Staff were identified to focus on the back log and needed training, certification and the proper elevated clearances to conduct the work. Clearances for the staff were submitted. We conducted training in December 2019 and February 2020. In March 2020, we began assigning cases, focusing first on the most severe cases, those with the highest position sensitivity. It's important to note that none of the cases in our backlog are census takers who went door to door for the 2020 Census. You noted the Census Bureau currently has 5,484 cases in the backlog dating back to 2014. According to the Defense Counterintelligence Agency (DCSA), the Census Bureau has 4,915 overdue post-employment cases dating back to 2016. It is also important to note from March of 2020 to April of 2020 the Census Bureau has adjudicated 6,908 cases. We are currently addressing the staffing issues mentioned in this report and are updating the Project Management plan as recommended.

RECOMMENDATION #1: Update the Project Management Plan to include (a) periodic reconciliations between the CHEC and DCSA reports, (b) quantifiable metrics for eliminating the backlog and (c) monitoring performance against established metrics.

The Census Bureau concurs with this recommendation. As the core of our likely action in response, the CISD has drafted an update to the current Post Employment Project Management Plan outlining staffing updates and priorities that will continue to eliminate the backlog and monitor performance against established metrics.

RECOMMENDATION #2: Evaluate human capital needs and coordinate appropriate resources to manage adjudication backlog workload.

The Census Bureau concurs with this recommendation. As the starting point for our likely action in response, the Census Bureau is currently reviewing a FY2023 staffing request for permanent positions in the CISD.

FINDING: Inadequate Documentation and Oversight Have Allowed Quality Problems Regarding Post-Employment Background Investigations to Persist

The Census Bureau agrees with this finding. However, it is important to acknowledge that the Census Investigative Services Division (CISD) has implemented many quality standards to ensure cases are adjudicated properly. This includes secondary reviews, monthly quality checks, and

process improvements that include a requirement of including a post-employment adjudicative summary, which shows exactly how an analyst determined a suitability determination.

RECOMMENDATION #3: Strengthen management oversight of the adjudication process to verify (a) stringent reviews of serious adjudication issues are conducted, (b) cases are properly completed and appropriately reviewed by secondary reviewers or supervisors and signed off, (c) documentation requirements are met and (d) internal control mechanisms required by policy are properly implemented.

The Census Bureau concurs with this recommendation. As the core of our corrective action, the CISD will continue to strengthen management oversight of the adjudication process by researching the incorporation of more automated procedures for the review of investigations. By eliminating user intervention, we can strengthen our processes by automating the LOI submission and enhance the secondary review of all cases.

FINDING: CIS Did Not Properly Adjudicate Results for an Estimated 7 Percent of Temporary 2020 Census Pre-Employment, Fingerprint-Only Investigations

The Census Bureau accepts this finding. It must be noted that the Census Bureau obtained approval from the Department of Commerce Office of Security to perform the abbreviated investigation for the hiring of the 2020 Census to enable the completion of the major operations. We worked closely with Industrial Organizational Psychologists to create the 2020 Decennial Crime and Timeframe Matrix chart. We acknowledge this matrix required user intervention and was not a chart with automated actions based on findings discovered from the Federal Bureau of Investigations (FBI) rap sheet. Due to this technicality, we concur that this matrix was misinterpreted by three analysts which resulted in the absence of a letter of Interrogatory (LOI). The 2020 Decennial Crime and Timeframe Matrix chart was only used to hire temporary 2020 Decennial employees and is not used as suitability guideline for full-time employees or contractors.

RECOMMENDATION #4: Take appropriate actions to recommend removal of any employee deemed unsuitable for federal employment based on post-employment adjudication results.

The Census Bureau concurs with this recommendation. As the core of our action in response, CISD has recently automated the processing of unfavorable cases through the CHEC system. All unfavorable cases are reviewed by two personnel security specialist and go to final review with applicable human resources specialists.

FINDING: The CHEC System Data is Incomplete and, in Some Instances, Inaccurate

The Census Bureau accepts this finding. The position sensitivity level (PSL) is a character identified by hiring managers to determine the type of investigation required for certain employment types. To ensure this information is provided by hiring managers prior to the start of an investigation, the CISD has made this field mandatory as well as added a requirement to provide the output from the OPM position designation tool (PDT). This will ensure CISD conducts the proper investigation for all employment types moving forward. It is also important to note the 37 cases referenced in this report all had a higher level of investigation completed than required for that position.

RECOMMENDATION #5: Resolve inaccuracies in the CHEC system and ensure complete, accurate, and reliable data are entered in the CHEC system.

The Census Bureau concurs with this recommendation. As the core of our action in response, to resolve the inaccuracies regarding the position sensitivity level received in CHEC, the CISD has made this field mandatory as well as added a requirement to provide the output from the OPM position designation tool (PDT). This will ensure CISD conducts the proper investigation for all employment types moving forward.