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United States General Accounting Office  
Washington, DC 20548

February 1, 2002

The Honorable William Lacy Clay  
The Honorable Carolyn B. Maloney  
House of Representatives

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Subject: Census Monitoring Board: Review of Congressional Side Shutdown Activities

In an October 1, 2001, letter, you expressed concerns about certain shutdown activities of the Congressional side of the Census Monitoring Board (CMBC), which under statute ceased to exist on September 30, 2001. As agreed with your offices, we reviewed eight areas of CMBC shutdown activities. We were not requested to nor did we review similar shutdown activities of the Presidential side of the Census Monitoring Board (CMBP).

We visited the site of the former CMBC offices on October 1, 2001, to ascertain if former personnel were present and to observe shutdown activities being conducted by the Government Printing Office (GPO). CMBC had entered into an interagency agreement with GPO to pay CMBC bills and to provide administrative support services. We obtained CMBC financial and other information from GPO and interviewed GPO officials who were directly involved with CMBC shutdown activities. We examined CMBC documents to determine financial cutoff procedures and conducted other audit tests as necessary. Our work was conducted from October through December 2001 in accordance with U.S. generally accepted government auditing standards.

On January 14, 2002, we briefed your staff on the results of our review. This letter transmits the material from that briefing, which disclosed that:

- Four CMBC personnel were present at CMBC's former office on October 1, 2001, but performed no substantive government action.
- Over \$14,000 was obligated and paid for telephone, cable, internet, computer, copier, and water services to be provided after CMBC's statutory termination date. These prepayments were not proper and should not have been certified and paid. GPO was requesting reimbursement from vendors for services that were not properly provided.
- GPO acquired CMBC property and supplies after September 30, 2001. A November 2001 GPO inventory found that some CMBC property had not been returned, was reported stolen, or was missing. The use of government owned

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property after CMBC termination was not proper, and GPO is seeking the return of some property.

- GPO was arranging for CMBC records disposal.
- CMBC internal controls existed to protect Title 13 census data.
- GPO had not certified and paid about \$4,000 in CMBC invoices received after September 30, 2001, primarily for phone service. GPO is reviewing the invoices for valid services provided prior to the CMBC shutdown.
- Census and House security badges issued to CMBC personnel expired at midnight on October 1, 2001. Some badges were collected, some were not.

We provided GPO with a draft of the slides and incorporated its comments as appropriate. As agreed with your offices, this concludes our work on the Census Monitoring Board.

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Copies of this letter are available to other interested parties. This letter will also be available on GAO's home page at <http://www.gao.gov>.

If you have any questions, please contact me at (202) 512-9095 or by e-mail at [kutzg@gao.gov](mailto:kutzg@gao.gov) or Roger R. Stoltz, Assistant Director, at (202) 512-9408, or by e-mail at [stoltzr@gao.gov](mailto:stoltzr@gao.gov). Key contributors to this letter were Cindy Barnes and Peggy Smith.

A handwritten signature in black ink that reads "Gregory D. Kutz". The signature is written in a cursive style with a large, stylized initial 'G'.

Gregory D. Kutz  
Director  
Financial Management and Assurance

Enclosure

January 14, 2002, Briefing on the Review of CMBC Shutdown Activities



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# **Census Monitoring Board- Congressional Side (CMBC)**

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## **Review of Shut Down Activities**

**Briefing for Staff of Representatives  
William Lacy Clay and Carolyn B. Maloney**

**January 14, 2002**

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## Background

- CMB was established by the Departments of Commerce, Justice, and State, the Judiciary, and the Related Agencies Appropriations Act, 1998. Under the statute, CMB ceased to exist on September 30, 2001.
- CMB was created to observe and monitor all aspects of the U.S. Census Bureau's (bureau) preparation and implementation of the 2000 Census.
- CMB was comprised of a congressional side (CMBC) and a presidential side (CMBP).
- CMB entered into an interagency agreement with the Government Printing Office (GPO) for GPO to pay CMB bills and to provide administrative support services.



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## **Eight Objectives As Requested**

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1. Did any CMBC personnel perform work beyond the statutory termination date of September 30, 2001?
  2. Did CMBC obligate or pay for goods and services to be received beyond its termination date?
  3. What happened to CMBC equipment and supplies after its termination date?
  4. What happened to CMBC records after its termination date?
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## **Eight Objectives As Requested (continued)**

5. What controls were in place to ensure that Title 13 census information was protected by CMBC?
6. How were CMBC invoices received after its termination date certified for payment?
7. Were CMBC security badges collected to ensure that personnel no longer had access to government facilities after termination date?
8. If any violations of law were identified, what actions have occurred?



## Scope and Methodology

- We conducted a site visit of the former CMBC office on October 1, 2001, to ascertain if personnel were working and to observe shutdown activities by GPO.
- We obtained financial and other information from GPO and conducted interviews with GPO officials who were directly involved with the CMBC shutdown activities.
- We examined documents to determine financial cut-off procedures and conducted other tests as necessary.
- We contacted Census and House security offices to determine status of CMBC staff identification badges.
- Our work was conducted between October and December 2001 in accordance with generally accepted government auditing standards.



## Scope and Methodology Limitations

- Our work was conducted after CMBC legal termination and was limited to a review of CMBC documents and obtaining explanations from GPO, some former CMBC personnel, and other personnel.
- We examined selected CMBC financial transactions since July 2001 from unaudited financial reports of CMBC prepared by GPO.
- We relied upon GPO's reconciliation of property; we did not physically observe the GPO count of CMBC property.
- We could not audit the effectiveness of internal controls over Title 13 data and whether any violations may have occurred.



**Objective 1. Did any CMBC personnel perform work beyond the statutory termination date of September 30, 2001?**

Four CMBC personnel were present at CMBC's former office on October 1, 2001 but performed no substantive government action.

- Employees were packing personal effects and records for archiving.
- The former CMBC Executive Director responded to several press inquiries on October 1 but indicated that he was no longer a CMBC official as of midnight, September 30.
- CMBC personnel present received no pay and benefits.
- GPO personnel asserted that no CMBC employees were present at the CMBC office after October 1.



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**Objective 2. Did CMBC obligate or pay for goods and services to be received beyond its statutory termination date?**

Yes. Over \$14,000 for phone, cable, internet, computer, copier, and water services after CMBC's termination date were obligated and paid.

Additionally:

- Former CMBC employees are entitled to COBRA benefits and CMBC had obligated about \$94,000 for potential future unemployment claims.
- GPO plans to close out all CMB unobligated balances of \$235,000 and unliquidated obligations of \$206,000 (consisting of \$189,000 of potential unemployment claims for both sides of CMB and \$17,000 of contractual obligations) by September 30, 2002.



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### **Objective 3. What happened to CMBC equipment and supplies after its statutory termination date?**

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GPO acquired CMBC property and supplies.

- GPO and CMBC prepared a written closure plan that included disposal of all CMBC equipment, furniture, and supplies after its legal termination.
  - CMBC signed over all owned property and supplies to GPO, which plans to use them in GPO operations.
  - All leased property was returned to vendors.
  - Census asserted that computer hard drives were cleaned on-site.
  - In November 2001, GPO took a physical inventory of CMBC property and reconciled it to GPO property records.
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**Objective 3. What happened to CMBC equipment and supplies after its statutory termination date? (continued)**

The GPO inventory found that some CMBC property had not been returned, was reported stolen, or was missing.

- The former CMBC Executive Director had not yet returned a Personal Digital Assistant (PDA), a cell phone, and a pager.
- A former Board Member had not yet returned a PDA and a cell phone.
- A laptop computer had been reported stolen.
- A Scan Jet printer and a PDA were missing.



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## **Objective 4. What happened to CMBC records after its statutory termination date?**

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GPO is arranging for CMBC records disposal.

- The National Archives and Records Administration (NARA) provided CMBC and GPO with guidance in identifying permanent and non-permanent records.
- GPO is transferring all non-permanent CMBC records to the Federal Records Center, and all permanent CMBC records to NARA.
- GPO is following the General Records Schedules published by NARA for the retention of non-permanent CMBC records. Records will be destroyed after the specified retention period (e.g., vouchers after 6 1/4 years).



**Objective 5. What controls were in place to ensure that Title 13 census information was protected by CMBC?**

CMBC internal controls existed to protect Title 13 data.

- All CMBC members, staff, and contractors who had access to Title 13 data were required to sign a Census Bureau form of nondisclosure and take an oath.
- Title 13 penalties for disclosure are a fine up to \$250,000 and up to 5 years imprisonment.
- Census provided CMBC with electronic files of Title 13 data and maintained a log.
- Four CMBC personnel had access to Title 13 data in a secured room but could print and copy Title 13 data.
- The bureau and the former CMBC Executive Director asserted that all Title 13 data were returned to the bureau before September 30.



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**Objective 6. How were CMBC invoices received after its statutory termination date certified for payment?**

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GPO has not certified CMBC invoices received after termination.

- GPO has paid all CMBC invoices that were obligated and certified by CMBC before October 1.
  - GPO has not certified for payment about \$4,000 of invoices received after September 30, 2001, primarily for CMBC phone services.
  - GPO is contacting vendors to cancel invoices due to CMBC statutory termination and thus no certification would be needed.
  - A CMBC website maintained by a contractor continued to operate into January 2002.
  - GPO has declined to host a CMBC website for 2 future years at a cost of \$1,550.
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**Objective 7. Were CMBC security badges collected to ensure that personnel no longer had access to government facilities after termination date?**

Census and House security badges issued to CBMC personnel expired on October 1, 2001. Some badges were collected, some were not.

- On October 1, a bureau security officer collected Census badges from 3 former CMBC personnel present in the CMBC office.
- We observed that the former CMBC executive director still had his Census and House badges the afternoon of October 1.
- Census and House security officials stated that while they had not physically accounted for all CMBC badges, any attempted access with an expired badge should be detected by building security.
- The former CMBC Executive Director later asserted that he and CMBC staff did not access government facilities after October 1.



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**Objective 8. If any violations of law were identified, what actions have occurred?**

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Over \$14,000 in prepayments for services that were to be provided after CMBC's termination date were not proper and should not have been certified before September 30, 2001, and paid.

- Most of the \$14,000 in prepayments were made for phone, cable, internet, computer, copier, and water service. GPO plans to request reimbursements from vendors for services that were not properly provided.
  - \$190 in prepayments for a government cell phone for the former CMBC Executive Director for service from October 1 through November 8, 2001 that was provided and used. GPO has requested reimbursement from the former CMBC Executive Director.
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**Objective 8. If any violations of law were identified, what actions have occurred? (continued)**

Use of government owned property after CMBC statutory termination was not proper.

- Not returning government owned property may constitute theft. In November and December 2001, GPO sent letters to former CMBC personnel regarding the property identified as not yet returned during GPO's November inventory.
- On January 10, 2002, the former CMBC Executive Director returned a PDA, cell phone, and pager.
- As of January 11, 2002, a former Board Member had not yet returned a PDA and cell phone. The member stated that the cell phone was mailed at the time of the local anthrax letter incidents and had not yet arrived and that the PDA would be returned.

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