



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

STATEMENT OF

JOHN BERRY

DIRECTOR

U.S. OFFICE OF PERSONNEL MANAGEMENT

before the

**SUBCOMMITTEE ON FEDERAL WORKFORCE, U.S. POSTAL SERVICE AND
LABOR POLICY**

U.S. HOUSE OF REPRESENTATIVES

on

“Back to the Basics: Is OPM Meeting its Mission?”

Chairman Ross, Ranking Member Lynch and members of the Subcommittee:

I am pleased to have the opportunity to appear before you this afternoon to discuss the role of the Office of Personnel Management’s (OPM) information technology (IT) systems. As you know, IT plays a significant role in allowing us to carry out our mission. Our IT undertakings include a proven suite of systems that supports OPM in our conducting of background investigations, storing information on the Federal workforce, and analyzing health insurance claims data.

OPM conducts 90 percent of the background investigations on behalf of over 100 Agencies and the Department of Defense, processing over 2 million cases annually. Through effective use of information technology, we have exceeded the timeliness goals of the Intelligence Reform and Terrorism Prevention Act, processing 90 percent of security clearance investigations on average in 40 days or fewer. Our IT successes in this area contributed to the Government Accountability Office removing the issue from its annual “High Risk List” earlier this year – not an easy task, as you know.

Enterprise Human Resources Integration (EHRI) is another important IT project that serves as the primary source for information on the Federal workforce. With a focus on mostly Executive Branch employees, the system has been selected for the Excellence.gov award for Business Processes. OPM also established the Health Claims Data Warehouse last year, which collects, stores, and analyzes health insurance claims data for enrollees covered under the FEHBP. We recognize the highly sensitive nature of this information and have taken steps to assure that the personal information of enrollees is secure and protected. The goal of the data warehouse is to

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understand the drivers of costs in the program and to find ways to reduce those costs through targeted efforts in the program.

In addition to these three major IT systems, OPM now hosts the USAJOBS website, which helps facilitate the hiring of Federal employees and meet our statutory mandates under title 5. We are also making modest but important IT changes to assist in the processing of our retirement claims and adjustments for payments to Federal annuitants.

USAJOBS 3.0

In a little more than the first three weeks of the launch of USAJOBS 3.0:

- Over 12 million visitors, including over 2 million users, have visited the USAJOBS 3.0 site,
- At its peak, USAJOBS 3.0 has hosted nearly 13,000 job postings in a single day,
- Nearly 800,000 applications have been submitted and nearly 500,000 resumes have been created or edited,
- Over 800,000 new accounts have been updated or created,
- And overall satisfaction with the website, as measured by independent surveys of users, has shown progress since the first day of launching USAJOBS 3.0.

The recommendation to host and maintain USAJOBS within OPM was made almost two years ago by the Chief Human Capital Officers Council (CHCOC). This recommendation was based in part on a desire to have the Government own all associated rights to the system's data and program code. The CHCOC and I believed that this would provide the necessary flexibility to respond to an ever-changing Human Resources environment. Developing a hybrid system also provides the ability to analyze, track and report government-wide employment data on a more robust schedule with flexibility of content. Of equal or greater importance was the need to enhance the protection of the sensitive information provided by job applicants, limiting access for authorized use only. Additionally, there was a strong desire to build a system that could improve and streamline the job applicant's experience. USAJOBS 3.0 includes options for expanded applicant profiles, improved resume builder features, enhanced geographic search capabilities, greater market specific job and event announcements, and a streamlined application process for one job in multiple locations. Moreover, USAJOBS 3.0 allows us the opportunity to build more enhancements over time from a common open architecture system.

USAJOBS 3.0 is the culmination of a 14-month design process. USAJOBS 3.0 was built using common HR-XML data standards, multiple layers of security, and a transparent integration framework. These standards support broad competition and innovation by talent acquisition

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systems, supporting the Federal government hiring process. Prior to launch, Agency partners and talent acquisition systems reported USAJOBS 3.0 was ready to go live.

The transition from USAJOBS 2.0 to USAJOBS 3.0 occurred October 7-11, 2011. Over 5 billion rows of data associated with the applicants' resumes, profiles and other pertinent documents successfully transferred to Government ownership for secure use and storage. Prior to launch, 17 million legacy accounts, 22 million resumes and documents, and over 6,000 open job announcements transferred into the new system. With 700,000 visitors per day, submitting over 520,000 applications during the first three weeks of operations, USAJOBS is by far OPM's highest trafficked website with worldwide visibility.

During the first few days after USAJOBS 3.0 went online, 300,000 to 400,000 visitors accessed our web site per day, and the page view of data peaked at almost 45,000,000 pages during a single day. This caused the system to operate at 100 percent of available bandwidth capacity at various times throughout the day, denying access to many site visitors.

We quickly responded by adding 10 additional virtual servers, fine tuning load distribution and adding content delivery support by a trusted vendor. As a result of these efforts, bandwidth consumption is now peaking at approximately 10 percent of capacity throughout the day. Our capacity issues have been addressed, and while during the first week, capacity presented a significant challenge, I am confident this issue has been resolved.

The second significant challenge for users was the reestablishment of their security profiles and passwords. While basic profile information transferred from USAJOBS 2.0 to 3.0, user passwords did not. The passwords were not transferred over for the security protection of users. It was necessary for users to reset their passwords, and many struggled to recall the answers to security questions that they may have created years prior to the conversion. During the first three weeks, over 11,000 Help Desk tickets were submitted to get assistance in accessing legacy accounts. Additional experienced Help Desk resources were quickly deployed from other OPM program areas to assist with Help Desk responses. In hindsight, we did not anticipate the volume of legacy account holders who would forget their password security question prompts, and we should have done more to educate legacy account holders in advance of the oncoming password change prior to the launch.

OPM's Help Desk received over 40,000 tickets in the first three weeks following the launch of USAJOBS 3.0. While a number of individuals contacted OPM's Help Desk for assistance with their password reset, other popular reasons for the creation of Help Desk tickets included assistance with searching for a particular job; questions about the status of a job application; questions about how to edit a resume; and general suggestions.

As users become familiar with the search features of USAJOBS 3.0, concerns have been raised about the accuracy of the search function. One of the search options includes the ability to search within a geographic proximity or radius of a specified location. In establishing extensive tables of geographic coordinates for duty station locations, large government installations that were

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also physical addresses had not been fully identified. The tables were expanded to ensure that the search returned the appropriate results. Additional adjustments to the search engines are being made based on user experience and feedback. While we have been proactively identifying geographic areas that may have been missed in the initial launch of USAJOBS 3.0, we are also actively listening to users of USAJOBS 3.0 and adding their suggestions and ideas for improving the USAJOBS 3.0 search function.

Meanwhile, every day we continue to address individual user concerns over functionality and are using user feedback to enhance the system design. We have provided prompt responses to Help Desk tickets and Facebook and Twitter posts. Within OPM, there is a Social Media Active Response Team, which engages with job seekers via Facebook and Twitter throughout the day and continues to assist seekers by email and phone. We have reached out to job seekers who have contacted OPM with concerns through multiple means and will continue to do so. Additionally, in order to assist job seekers, we are posting video tutorials on our Facebook page. We have also included tutorials on USAJOBS 3.0's "Resource Center" page, in order to provide guidance and assistance to both legacy account users and new users of USAJOBS 3.0.

To address the challenges since the launch, I hand-picked a great team from across OPM that has been working around the clock to ensure that USAJOBS 3.0 can live up to the full promise that users of the site, the taxpayers, the Administration and Congress expect. To assist my team, the government's Chief Information Officer, Steve VanRoekel, assembled an IT SWAT team from across the Federal government. The SWAT team conducted a preliminary analysis of the situation with USAJOBS 3.0, evaluated the operational landscape, and prepared a short and long term roadmap to resolving any issues with the system. OMB has been our partner and advisor on USAJOBS 3.0 along the way, and I am fully committed to working with this SWAT team and look forward to reviewing and implementing its recommendations. I feel confident that they have helped turn the corner by addressing these challenges and we will be able to move forward in the strongest possible fashion.

IT and Federal Annuitants

On the issue of Federal annuitants, I am deeply troubled by the timeliness of processing retirement claims. The retirement applicants who experience delays are dedicated Federal employees who have devoted their careers to serving the citizens of this country. They deserve solid, respectful treatment that is commensurate with their service. Nothing less is acceptable to me.

My paramount goal is to improve the overall claims adjudication process. There is no simple or easy solution that is capable of instantly remedying the problem, but we are doing everything in our power to improve service to our annuitants as rapidly as possible within the constraint of available resources. We have begun several initiatives to speed up the review of retirement claims and to streamline other retirement procedures.

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In keeping with our budget request for fiscal year 2011, I shifted resources to allow for the hiring of additional legal administrative specialists (LASs) to process pending claims. Our retirement group recently completed training 35 newly hired LASs to assist with the current backlog and future workload. Recognizing the need for more talent in processing retirement claims, I have shifted around more resources to ensure that we can hire an additional 40 LASs as soon as possible. While these new LASs are improving our ability to process cases, it will be at least six months before these newer employees are adding to our capacity to process pending claims. It should be noted that the increased staffing levels are needed to replace staff that were eliminated in anticipation of the implementation of the automated Retirement Systems Modernization (RSM) that failed in 2008 and staff that retired in 2009.

Additionally, we are analyzing the current workflow and aligning similar workloads to maximize efficiencies. For instance, until recently 80 percent of all pending non-disability Federal Employee Retirement System (FERS) claims were processed in our Boyers, Pennsylvania office where they are received from the agencies. The remaining 20 percent had been sent via courier from Boyers to be processed by our Washington, DC, office. We are now keeping 100 percent of new non-disability FERS claims in Boyers and deploying the Washington, DC, staff who had been working on those claims to disability claims, where our case backlog has grown due to fewer staff processing those type of claims. A team from the Navy, which specializes in process improvement, will begin working with our team this month to identify changes that can be made to current work processes.

We are currently working with agencies to improve timeliness and quality of personnel payroll information submissions. Currently, processing times are averaging 133 days for non-disability cases. Indeed, OPM's Strategic Plan speaks to the shared responsibility for retirement processing among employees, agencies and OPM, so resolving these issues is at the very center of our efforts. Incomplete or inaccurate information from agencies can significantly delay processing and ultimately, a retiree's check. Unfortunately, 18 percent of all claims received are missing one or more records and 11 percent are not received during the first 30 days.

In recognition of the delays in retirement processing, we have greatly enhanced our interim pay process to provide new retirees with income while their retirement benefits are adjudicated. Working with Agencies, we place at least 90 percent of all new retirees on interim pay within 5-7 days after receipt of their information. Approximately half are placed automatically on interim pay based upon Agency data submissions. The remaining cases are reviewed and placed on interim pay manually. In Fiscal Year 2011, new annuitants received about 80 percent of their final annuity while on interim pay. There are a number of factors that cause an annuitant to receive lower interim pay, such as those who have a court order dividing their benefit.

We are confident that by working with our current management team and our workforce to reassign existing staff, build production incentives, add and train additional staff, and collaborate with agencies to improve the records they provide to us, we will address our back-log within 18 months and fulfill our commitment to Federal retirees. Nothing is more important to me than fulfilling this obligation.

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We learned a great deal from the unfortunate RSM efforts. In that regard, I would like to describe some of our current efforts. Last February, I terminated the RSM program management office at OPM and consolidated the outstanding IT work to the EHRI office. At that time EHRI was supporting several key IT initiatives in support of Retirement Services including changes to the retirement service credit system, improvements to the retirement calculator, and improving automation of retirement data submissions.

OPM also created a proof of concept of an online retirement application to demonstrate how an electronic, web-based application could be used to collect data from an applicant and his or her agency human resource office that is required when an employee retires. This information could be used to reduce dependence on the current paper process.

There has been substantial publicity regarding the report of our Inspector General's office dealing with payments made after annuitants are deceased. The Inspector General's report reflects overpayments that are equal to less than one-fifth of one percent of annuity payments. I want to make it perfectly clear that we regard any overpayments as unacceptable, but, as noted by the Inspector General, this improper payment rate is extraordinarily low.

Moreover, these improper payments do not result from negligence or misfeasance by OPM. Instead, they represent cases of fraud in which individuals have intentionally covered up the death of an annuitant, an action that is very difficult to detect. For these overpayments to occur, the malefactor must first either have been on a joint bank account with the decedent or have continuing access to mail addressed to the decedent. They must then ensure that the death remains unreported in the records that are accessible to OPM, and must regularly take other actions (such as filing tax returns in the decedent's name) to prevent discovery.

OPM is fully committed to eliminating improper payments to deceased annuitants, and I have been working closely with the Inspector General to achieve this. Our team at OPM has worked hard with the Inspector General on this issue over the past few years, as recognized by the Inspector General in his report. As the Inspector General's report notes, we have already implemented 10 of their 14 recommendations. In addition, I have named four senior members of my staff who will work directly with me to resolve the final four.

OPM resolved \$487 million of the \$600 million reported by the Inspector General. As of September 30, 2010, \$113 million is still undergoing collection efforts by OPM. The collection process is an ongoing effort, and our experience has shown that we ultimately collect 90 percent of the amounts resolved with the remaining 10 percent either determined to be uncollectible or adjusted because it was later determined that the payment was not improper. Therefore, OPM estimates it has collected over \$438 million of the \$487 million resolved over the past 5 years. OPM will continue collection efforts on the \$113 million until it is completely resolved.

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Though we have implemented many positive reforms, I remain deeply committed to keeping this a top priority and to working with our Inspector General to ensure the proper internal controls are in place to protect the taxpayers and our employees and retirees.

Conclusion

Members of the Subcommittee, thank you for having me here today to explain the role of IT at OPM. I would be glad to address any questions you may have.