

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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<http://oversight.house.gov>

June 29, 2017

The Honorable John H. Thompson
Director
U.S. Census Bureau
4600 Silver Hill Road
Washington, DC 20233

Dear Mr. Thompson:

The Bureau projects that the 2020 Census will cost taxpayers approximately \$12.5 billion.¹ However, the cost estimate associated with this figure is outdated and does not account for how key system design changes are to be implemented and subsequently obtained through the acquisition process.² Since 2008, the Government Accountability Office (GAO) has questioned the process through which the Bureau develops its costs estimates.³ The Department of Commerce Office of the Inspector General (OIG) has also raised concerns that the Bureau's cost estimates are inaccurate.⁴ The Committee is examining these issues to ensure that the Bureau has reliable cost estimates to inform funding levels and enable a full and accurate 2020 Census.

Were it administered the same way as the 2010 Census, the 2020 Census would cost \$17.8 billion, according to the Bureau's estimates. This is an increase of nearly \$5 billion from the 2010 Census.⁵ In order to prevent cost increases, the Bureau decided to dramatically modernize the procedures used to conduct the 2020 Census. The Bureau is concentrating on four main areas of innovation: (1) reengineering address canvassing; (2) optimizing self-response; (3) utilizing administrative records and third-party data; and (4) reengineering field operations. In 2010, the Bureau attempted a much smaller scale digitization effort to control increasing costs. The 2010 effort involved hand-held digital devices for non-response follow-up operations

¹ 2020 Census Operational Plan (Nov. 2015).

² *Oversight of the 2020 Census: Hearing before the Subcomm. on Commerce, Justice, and Related Agencies of the H. Comm. on Appropriations*, 115th Cong. (May 3, 2017) (Written testimony of David M. Powner, Director of Information Technology, and Robert Goldenkoff, Direct of Strategic Issues, U.S. Government Accountability Office).

³ See e.g. U.S. Government Accountability Office (GAO), *2020 Census: Census Bureau Needs to Improve Its Life - Cycle Cost Estimating Process*, GAO-16-628 (June 30, 2016).

⁴ U.S. Department of Commerce, Office of the Inspector General, *2020 Census: 2016 Census Test Indicates the Current Life-Cycle Cost Estimate is Incomplete and Underestimates Nonresponse Followup Costs* (Mar. 16, 2017).

⁵ 2020 Census Operational Plan (Nov. 2015).

(NRFU). However, this program failed, despite the Bureau's assertions that everything was progressing smoothly,⁶ eventually resulting in increased costs of roughly \$3 billion.⁷

Reviews conducted by both GAO and Commerce OIG have determined the Bureau's cost estimates may not be accounting for significant risks that caused overruns in the 2010 Census. GAO, for example, concluded the Bureau's cost estimate does not fully reflect characteristics of a high-quality estimate and is therefore unreliable.⁸ This is in part because the cost estimate lacked sufficient documentation and failed to include known, and likely costly, program risks.⁹ The Commerce OIG found the Bureau's cost estimate contains assumptions that underestimate NRFU costs.¹⁰

The Bureau itself has recently acknowledged that its cost estimate of a critical piece of the 2020 infrastructure, the Census Enterprise Data Collection and Processing (CEDCaP) program, underestimates the program's total costs. In testimony, you stated the Bureau substantially underestimated costs associated with CEDCaP by \$309 million.¹¹ GAO testified at the same hearing that it expects the CEDCaP cost overruns to be higher, at \$417 million over the most current estimates, and information technology costs to run at least a billion dollars more than the Bureau estimated.¹² You noted the cost estimate was complete and was due for release in the summer of 2017. However, as the Bureau has not issued an updated lifecycle cost estimate since October 2015,¹³ it is not clear if the current cost projections account for decisions and changes since 2015, address emerging risks, and incorporate GAO's recommended best practices.

These issues come at a time of significant agency transition. With your retirement looming at the end of this month,¹⁴ it is critical that the Bureau and your successor address these potential cost overruns. Leadership commitment is essential to ensure the Bureau's management, culture, and business practices align with a cost-effective enumeration.¹⁵

⁶ *Census in Peril: Getting the 2010 Decennial Back on Track—Parts I and II: Hearing before the S. Comm. on Homeland Security and Gov't Affairs*, 110th Cong. 110-1039 (2008).

⁷ Congressional Research Service, Jennifer D. Williams, *The 2010 Decennial Census: Background and Issues*, (Dec. 20, 2013).

⁸ U.S. Government Accountability Office (GAO), *2020 Census: Census Bureau Needs to Improve Its Life-Cycle Cost Estimating Process*, GAO-16-628 (June 30, 2016).

⁹ *Id.*

¹⁰ U.S. Department of Commerce, Office of the Inspector General, *2020 Census: 2016 Census Test Indicates the Current Life-Cycle Cost Estimate is Incomplete and Underestimates Nonresponse Followup Costs* (Mar. 16, 2017).

¹¹ *Oversight of the 2020 Census: Hearing before the Subcomm. on Commerce, Justice, and Related Agencies of the H. Comm. on Appropriations*, 115th Cong. (May 3, 2017) (Testimony of John H. Thompson, Director).

¹² *Oversight of the 2020 Census: Hearing before the Subcomm. on Commerce, Justice, and Related Agencies of the H. Comm. on Appropriations*, 115th Cong. (May 3, 2017) (Testimony of David M. Powner, U.S. Government Accountability Office).

¹³ GAO, *2020 Census: Sustained Attention to Innovations, IT Systems, and Cost Estimation Is Needed*, GAO-17-584T (May 3, 2017).

¹⁴ U.S. Department of Commerce, Office of Public Affairs, *Census Bureau Announces Retirement of Director John H. Thompson*, May 9, 2017. Found at: <https://www.commerce.gov/news/press-releases/2017/05/census-bureau-announces-retirement-director-john-h-thompson>, last accessed June 13, 2017.

¹⁵ GAO, *High Risk Series: High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, GAO-17-317 (Feb. 15, 2017).

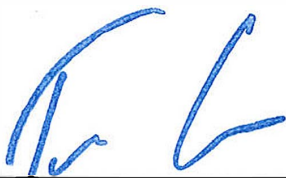
To help the Committee understand how the Bureau will mitigate the risks associated with its fundamentally new and complex innovations for the 2020 Census and produce a credible and defensible cost estimate, please provide the following documents and information as soon as possible, but no later than July 10, 2017:

1. The Bureau's current cost estimate for the 2020 Census, and all associated documentation needed to support the basis for the estimate;
2. All documents referring or relating to changes in the cost of administering the 2020 Census since the Bureau's October 2015 estimate, including any change in cost related to alterations to the 2018 end-to-end test;
3. A detailed account of how the Bureau addressed each of GAO's recommended best practices to produce a reliable cost estimate; and
4. The Bureau's succession plan for maintaining agency leadership in preparation for and after your retirement on June 30, 2017.

The Committee on Oversight and Government Reform is the principal investigative committee in the U.S. House of Representatives. Pursuant to House Rule X, Clause (1) Number (8), the Committee has jurisdiction over "population and demography generally, including the Census."

Please contact Patrick Hartobey of the Majority staff at (202) 225-5074, or Katie Teleky with the Minority staff at (202) 225-5051, if you have any questions. Thank you for your attention to this matter.

Sincerely,



Trey Gowdy
Chairman



Elijah E. Cummings
Ranking Member



Mark Meadows
Chairman
Subcommittee on Government Operations



Gerald E. Connolly
Ranking Member
Subcommittee on Government Operations

Enclosure

Responding to Committee Document Requests

1. In complying with this request, you are required to produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.
2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.
3. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.
4. Documents produced in electronic format should also be organized, identified, and indexed electronically.
5. Electronic document productions should be prepared according to the following standards:
 - (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
 - (b) Document numbers in the load file should match document Bates numbers and TIF file names.
 - (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
 - (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document:

BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH,
PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE,
SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,
CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE,
DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,
INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,
BEGATTACH.
6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.

7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when the request was served.
8. When you produce documents, you should identify the paragraph in the Committee's schedule to which the documents respond.
9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.
10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.
11. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.
13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.
14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.
15. Unless otherwise specified, the time period covered by this request is from January 1, 2009 to the present.
16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.
17. All documents shall be Bates-stamped sequentially and produced sequentially.
18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.

19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Definitions

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email (desktop or mobile device), text message, instant message, MMS or SMS message, regular mail, telexes, releases, or otherwise.
3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.
4. The terms “person” or “persons” mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.

5. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.
6. The term “referring or relating,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.
7. The term “employee” means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.