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LABOR-MANAGEMENT RELATIONS AT THE SOCIAL SECURITY ADMINISTRATION

HEARING

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

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CONTENTS

	Page
Advisory of July 15, 1998, announcing the hearing	2

WITNESSES

Social Security Administration, Office of the Inspector General, Hon. James G. Huse, Jr., Acting Inspector General; accompanied by Pamela J. Gardiner, Assistant Inspector General for Audit	6
Social Security Administration, John Reusing, Claims Authorizer, Division of International Operations	207
Social Security Administration, Jim Beckstrom, Computer Specialist, Office of Systems	211
Social Security Administration, Waco, TX, Jim Schampers, District Manager	214
Social Security Administration, Tulsa, OK, Edwin M. Hardesty, District Manager	219
Social Security Administration, Paul D. Barnes, Deputy Commissioner for Human Resources	249

American Federation of Government Employees, AFL–CIO:	
National Council of SSA Field Operations Locals, Witold Skwierczynski	286
National Partnership Council, Wiltold Skwierczynski	286
American Federation of Government Employees Local 1923:	
John Reusing	207
Jim Beckstrom	211

LABOR-MANAGEMENT RELATIONS AT THE SOCIAL SECURITY ADMINISTRATION

THURSDAY, JULY 22, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON SOCIAL SECURITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:05 a.m., in room 1100, Longworth House Office Building, Hon. Jim Bunning (Chairman of the Subcommittee) presiding.

[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON SOCIAL SECURITY

FOR IMMEDIATE RELEASE
July 15, 1998
No. SS-19

CONTACT: (202) 225-9263

Bunning Announces Oversight Hearing on Labor-Management Relations at the Social Security Administration

Congressman Jim Bunning (R-KY), Chairman of the Subcommittee on Social Security of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing to examine labor-management relations at the Social Security Administration (SSA). **The hearing will begin on Wednesday, July 22, 1998, and be continued on Thursday, July 23, 1998, and Friday, July 24, 1998, in the main Committee hearing room, 1100 Longworth House Office Building, beginning at 10:00 a.m. each day.**

In view of the limited time available, oral testimony will be heard from invited witnesses only. However, any individual or organization may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

BACKGROUND:

The Federal Government's labor-management relations policies have evolved gradually in the last three decades. A 1962 Executive Order by President Kennedy formally recognized unions to represent Federal employees, mandated Federal agencies to consult periodically with unions over working conditions and personnel practices, and permitted Federal agencies to provide unions with support services at agency expense.

In 1970, an Executive Order issued by President Nixon created the Federal Labor Relations Council (FLRC), a central authority charged with administering Federal labor-management relations, and established a third-party process for negotiating labor-management impasses.

The Civil Service Reform Act of 1978, signed into law by President Carter, vastly expanded the scope of collective bargaining and codified the existing authority for Federal agencies to use Federal funds to pay the cost of union facilities and support services (such as telephones, fax machines, and computers) within the agencies, and to pay the salaries and travel expenses of Federal employees to perform union activities for part or all of their workweek. The 1978 Act also created the independent Federal Labor Relations Authority, which replaced the FLRC.

In 1993, President Clinton issued an Executive Order making unions full, participating partners in the management decision-making process at Federal agencies. This order further expanded the rights of unions in the management of Federal agencies by requiring Federal agencies to bargain with unions over organizational issues, including work methods, technology, and organizational staffing patterns.

In June 1996, the Subcommittee held oversight hearings on the use of Social Security Trust Fund money to finance union activities at the SSA. The U.S. General Accounting Office (GAO) at that time revealed the cost of union activities had doubled from an estimated $6 million in 1993 to $12.6 million in 1995, and that the number of employees who worked on union business full-time grew from 80 to 146. In addition, in this agency alone, over 1,800 employees were authorized to perform union activities during some part of their on-duty hours. GAO also found that due to limitations in SSA's reporting system, it was not possible to estimate actual time spent agency-wide for any reporting period and the SSA's Inspector General was asked to conduct an in-depth audit to follow through on GAO's findings. Prior to fiscal year 1998, most SSA administrative expenses, including union activities, were paid for from the Social Security Trust Funds. As of fiscal year 1998, the Labor, Health, and Human Services Appropriations Act included language which provides that the Social Security Trust Funds shall be reimbursed for union activities by general revenues.

(MORE)

In announcing the series of hearings, Chairman Bunning stated: "Hard-working Americans deserve to know the degree to which their taxes are being spent each year to pay the salaries of Social Security employees, who do mainly union work, frequently full time, instead of directly providing services to the public. This is particularly troubling since SSA has lost over 25 percent of their staff over the last 10 years and is facing unprecedented workloads in the near-future as baby boomers begin to retire."

FOCUS OF THE HEARING:

The Subcommittee will focus on the scope of non-agency activities at SSA, the extent to which they are subsidized by taxpayers, and the accuracy and completeness with which this spending is accounted for by SSA.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Any person or organization wishing to submit a written statement for the printed record of the hearing should *submit six (6) single-spaced copies of their statement, along with an IBM compatible 3.5-inch diskette in WordPerfect 5.1 format, with their name, address, and hearing date noted on a label*, by the close of business, Friday, August 7, 1998, to A.L. Singleton, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements wish to have their statements distributed to the press and interested public at the hearing, they may deliver 200 additional copies for this purpose to the Subcommittee on Social Security office, room B-316 Rayburn House Office Building, at least one hour before the hearing begins.

FORMATTING REQUIREMENTS:

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All statements and any accompanying exhibits for printing must be submitted on an IBM compatible 3.5-inch diskette in WordPerfect 5.1 format, typed in single space and may not exceed a total of 10 pages including attachments. **Witnesses are advised that the Committee will rely on electronic submissions for printing the official hearing record.**

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. A witness appearing at a public hearing, or submitting a statement for the record of a public hearing, or submitting written comments in response to a published request for comments by the Committee, must include on his statement or submission a list of all clients, persons, or organizations on whose behalf the witness appears.

4. A supplemental sheet must accompany each statement listing the name, company, address, telephone and fax numbers where the witness or the designated representative may be reached. This supplemental sheet will not be included in the printed record.

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press, and the public during the course of a public hearing may be submitted in other forms.

Note: All Committee advisories and news releases are available on the World Wide Web at "http://www.house.gov/ways_means/".

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

*****

Chairman BUNNING. The Subcommittee will come to order.

Good morning. Members of this Subcommittee have before them a report containing evidence of what I consider to be a serious and ongoing abuse of tax dollars in the work force of the Social Security Administration. The report comes from no less an authority than the Inspector General of the Social Security Administration, a man appointed to his post by President Clinton.

Let me be clear. Social Security is a sacred trust between the American people and their government. When evidence of abuse is discovered, it is our duty to pursue it. One of the best ways we can save Social Security first is to root out any corruption, abuse, or malfeasance that harms our Nation's seniors and their ability to receive services from the Social Security Administration.

According to information provided by SSA to the Inspector General, there are 145 people on the public payroll at SSA who work full time for labor unions. There are also 1,655 SSA employees who spend up to 75 percent of their day on union activities. These people are excused from their duties as claim representatives, teleservice representatives, or claims authorizers. Instead of serving seniors, they serve unions.

Today, the IG will report a claim by the Social Security Administration that taxpayers spent $13.4 million in 1996 to pay union salaries, and $1.3 million for union office space. That $14.7 million would pay one year's worth of Social Security benefits for more than 1,700 seniors. If that's not worrisome enough, the IG concludes that no one in the government knows how many people really work for the unions, or how much money is actually spent to support their activity, because SSA's information is not reliable.

To make matters worse, the IG survey report indicates that one-quarter of the SSA managers surveyed suspect abuse of time used on union activity. While the union workers are supposed to be filing grievances and increasing agency productivity through labor-management partnerships, in reality supervisors also have no idea if their workers are engaged in authorized activity.

I understand that the American Federation of Government Employees challenged the legality of the IG's review, and advised union officials not to cooperate with the audit. Despite intervention from the SSA's Commissioner, the union never fully cooperated.

Tomorrow SSA employees will testify about union workers spending their time in private sector jobs, engaging in personal business, and participating in political activities all while they are on the public payroll. These employees believe that they are hamstrung, because once someone is on union time, they are no longer accountable to Social Security managers.

SSA workers need and deserve our support. These dedicated people believe that their ability to serve our Nation's seniors, survivors, and the disabled is severely hampered by their inability to control their work force.

I think it is outrageous and it's wrong for people on the public payroll to work for someone else. People who are paid by the taxpayers should work for the taxpayers. Instead, what we have here is a bunch of no-shows, go-slows, and who-the-hell-knows.

It appears that the Social Security Administration has lost control of its work force, harming our ability to serve our senior citi-

zens. We need to protect our seniors and we need to fix this problem.

To do that, I have invited the Commissioner of Social Security to testify before our Subcommittee, and I've also invited representatives of labor to join us this week. When we have heard from all of the parties involved, I look forward to working with the Members of this Subcommittee to clean up the problem.

When I played baseball, I helped start the Players Union. The SSA Union performs an important service representing workers, and I believe in their rights. But when evidence of fraud and abuse exists, I hope no one will support looking the other way.

When it comes to protecting people who need Social Security, there are no Republican beneficiaries or Democratic beneficiaries. We are all in this together. I hope we can approach this in the same nonpartisan manner as the Inspector General. We need to protect the integrity of the Social Security and respect union rights, while rooting out abuse in the workplace.

In the interest of time, it is our practice to dispense with opening statements, except from the Ranking Democratic Member. All Members are welcomed to submit statements for the record. I yield to Congresswoman Kennelly for any statement she wishes to make.

Mrs. KENNELLY. Thank you, Chairman Bunning, and I would like to tell those in the audience that this is a public hearing, that we will be accepting testimony, and that the opinions we just heard are not the only ones on this topic. The wonderful part of democracy in a bipartisan system is that you come together, sit shoulder to shoulder, and have different opinions. And so, I will read my statement as we open these hearings. It will continue, by the way, for the next 3 days.

Today's Subcommittee hearing examines labor-management relations at the Social Security Administration. I think it's fair to say that labor-management relations and employee morale at the Social Security Administration are better today than they have been at any time during the previous decade.

Use of official union time was down in 1997 by almost 20 percent. Unfair labor practice charges by employees dropped by 36 percent from 1995 to 1997. All of this has occurred since 1993, when President Clinton issued an Executive Order creating a partnership with Federal agency employees.

In January of this year, the Social Security Administration issued a study evaluating the effectiveness of the labor-management partnership at that agency. I hold forth a copy of this study, and hope that all those interested in this question take the time to look at it. To my knowledge, this was the first ever evaluation of partnership activities to be conducted by a Federal agency.

The report concludes that the partnership agreement has helped to improve customer service and employee productivity. In addition to improving SSA's toll-free number service, it has improved productivity in such areas as reducing disability backlogs, redesigning the disability process, and shifting workloads between SSA offices.

The Social Security Administration's Office of the Inspector General has just completed three reports telling us about additional systems which could be implemented at the Social Security Admin-

istration to keep track of official time and partnership activities. The report does not find any abuses in the official time system.

The Inspector General has simply said that he would like to see better official time and auditing systems in place at the agency. SSA is doing just that.

It already has in place a computerized system for reporting official time called OUTTS, and it is working on enhancements of that system which will alert employees when they are within 20 percent of exhausting their time, and which will identify active and inactive representatives.

While we would all like to see that system fully implemented as soon as possible, I see nothing in the Inspector General's report which indicates that the OUTTS system is the wrong way to go. In fact, given the current and continuing limitation on the Social Security Administration's budget, the OUTTS system seems to be an efficient and effective way of auditing official time.

One of the essential elements of any effective business, including Federal agencies is productive labor-management teamwork. I think the Social Security Administration and the Clinton administration have taken major steps in that direction. These initiatives have produced better labor-management relations than at any other time in recent memory, and should continue to do so in the time to come.

I welcome our witnesses, and thank the Chairman for giving me the time to remark.

Chairman BUNNING. Thank you, Mrs. Kennelly.

Testifying today is Hon. James G. Huse, Jr., Acting Inspector General from the Office of the Inspector General at the Social Security Administration. Mr. Huse will be accompanied by Pamela Gardiner, Assistant Inspector General for Audit, from the Office of Inspector General at the Social Security Administration.

If the witnesses would please stand as we will swear you in. Please raise your right hand and respond.

[Witnesses sworn.]

Mr. Huse, you may proceed.

Mrs. KENNELLY. Mr. Chairman.

Chairman BUNNING. Yes.

Mrs. KENNELLY. Do we intend to swear in all of the witnesses who come before us the next 3 days?

Chairman BUNNING. I would suspect we will.

Mrs. KENNELLY. Well, I think if we swear in some, we should swear in all. There's always a question——

Chairman BUNNING. That's fine.

Mrs. KENNELLY. OK. Thank you, Mr. Chairman.

STATEMENT OF HON. JAMES G. HUSE, JR., ACTING INSPECTOR GENERAL, OFFICE OF THE INSPECTOR GENERAL, SOCIAL SECURITY ADMINISTRATION; ACCOMPANIED BY PAMELA J. GARDINER, ASSISTANT INSPECTOR GENERAL FOR AUDIT

Mr. HUSE. Chairman Bunning and Members of the Subcommittee, thank you for inviting me to appear today. You have been given my full statement for the record. I would like to summarize our findings for you now.

In response to a request from this Subcommittee, we reviewed official time and partnership activities at the Social Security Administration as a follow-up to an earlier General Accounting Office report. We divided our work into four parts; an audit of official time use, two surveys, and an evaluation of partnership activities.

Today, I would like to discuss three of these. I will not be discussing the second survey because it has not been released as yet.

During the review, 18 percent of the union representatives we contacted chose not to cooperate, while 100 percent of the managers we contacted did cooperate. The response rate from our survey consisted of 52 percent of the union representatives and 85 percent of the managers, which limits the conclusiveness of the data we received. Because of this, we caution against drawing broad conclusions from the results of our reviews.

We conducted the audit to verify that official time at SSA for union activities complied with relevant laws, regulations, and collective bargaining agreements. SSA reported that in fiscal year 1996, 481,945 hours were spent on official time activities. The cost of these activities, including salaries and expenses, totaled $14.7 million.

We could not verify these data, because SSA did not have adequate records and controls at that time, to ensure that official time was being used in compliance with applicable criteria. Further, the data used to determine the cost of official time were unreliable.

SSA had recognized many of these issues before our review. As a result, it had issued new guidance, and developed a new automated management information system that will hopefully correct these problems.

We conducted a nationwide survey of union representatives and managers to collect their observations concerning the use and management of official time for the American Federation of Government Employees Union Council 220 activities.

The responses to our questionnaires indicated the following:

Although most of the managers and union representatives stated that they recorded official time as required, some union representatives did not always complete an official time form before using official time.

Almost half of the managers were not informed in writing who represents the union in their office.

A number of the managers and union representatives we interviewed did not know how many bank hours—the amount of hours authorized for use—were available, which created the potential for exceeding bank time. Twenty-five percent of the managers who responded had suspicions or qualms about the abuse of official time. Ninety-five percent of the managers responded that they understood where to call with official time issues, and that those offices were helpful.

Our evaluation was conducted in response to this Subcommittee's request that we verify SSA's assertions that SSA's partnership activities had reduced grievance and unfair labor practice filings. We also examined the extent of partnership activities; how partnership results are measured, and how time devoted to partnership activities is tracked.

Our review found the following:

The definition of partnership and related activities was unclear. The inventory of partnership activities was questionable. SSA's systems did not provide sufficient data to support a quantitative interpretation of the results or accomplishments from partnership. Both the Social Security Administration and AFGE took exception to the conclusions from our review of partnership. Thank you.

[The prepared statement follows. Attachments may be found as follows: Final Report—Use of Official Time for Union Activities at the Social Security Administration, http://www.ssa.gov/oig/adobepdf/72013.pdf; Partnership Activities at the Social Security Administration, http://www.ssa.gov/oig/adobepdf/72023.pdf; and Council 220 Union Representative and Manager Observations on the Use and Management of Official Time at SSA, http://www.ssa.gov/oig/adobepdf/72002.pdf.]

Statement of Hon. James G. Huse, Jr., Acting Inspector General, Social Security Administration

Chairman Bunning and members of the Subcommittee, thank you for inviting me to appear today to discuss our reviews of official time and Partnership activities at the Social Security Administration (SSA).

In response to a request from this Subcommittee, we reviewed official time and Partnership activities at SSA as a follow up to an earlier General Accounting Office report. Although our interviews with over 100 managers and union representatives were revealing, we encountered a delay in obtaining necessary information.

Initially, the American Federation of Government Employees (AFGE) advised SSA employees not to cooperate with the reviews. We ultimately received the information when the then-Acting Commissioner of Social Security mediated an end to the impasse. As part of this process, we agreed to make some minor modifications to our survey.

During the reviews, 18 percent of the union representatives we contacted chose not to cooperate, while 100 percent of the managers we contacted did cooperate. The response rate from our survey consisted of 52 percent of the union representatives and 85 percent of the managers, which limits the conclusiveness of the data we received. Because of this, we caution against drawing broad conclusions from the results of our reviews.

We divided our work into four parts: an audit of official time use, two surveys, and an evaluation of Partnership activities. Today, I would like to discuss three of these. I will not be discussing the second survey because it has not yet been released.

We conducted the audit to verify that the official time at SSA for union activities complied with relevant laws, regulations, and collective bargaining agreements. SSA defines official time as "time during which an employee otherwise would be performing Agency-assigned work, but the employee is otherwise authorized by law, regulation, or negotiated agreement to spend time representing union and/or bargaining unit employees." SSA reported that, in FY 1996, 481,945 hours were spent on official time activities. The cost of these activities, including salaries and expenses, totaled $14.7 million. We could not verify these data because SSA did not have adequate records and controls at that time to ensure that official time was being used in compliance with applicable criteria. Further, the data used to determine the cost of official time were unreliable. We also found indications that SSA's internal controls needed to be strengthened so that

- official time was limited to union representatives,
- the number of authorized union representatives was in compliance with collective bargaining agreement criteria,
- official time was used for appropriate activities and for appropriate amounts of time, and
- all allegations of misuse of official time were resolved.

SSA had recognized many of these issues before our review. As a result, SSA issued new guidance and developed a new automated management information system that will hopefully correct these problems.

We conducted a nation-wide survey of union representatives and managers to collect their observations concerning the use and management of official time for the AFGE's union Council 220 activities. Council 220 represents employees in SSA's

field offices and teleservice centers. The responses to our questionnaires indicated the following.

- Although most of the managers and union representatives stated that they recorded official time as required, some union representatives did not always complete an official time form before using official time.
- Almost half of the managers were not informed in writing who represents the union in their office.
- A number of the managers and union representatives we interviewed did not know how many bank hours (the amount of hours authorized for use) were available, which created the potential for exceeding bank time.
- Twenty-five percent of the managers who responded had suspicions or qualms about the abuse of official time.
- Ninety-five percent of the managers responded that they understood where to call with official time issues and that those offices were helpful.

Our evaluation was conducted in response to this Subcommittee's request that we verify SSA's assertions that SSA's Partnership activities had reduced grievance and unfair labor practice filings. We also examined the extent of Partnership activities, how Partnership results are measured, and how time devoted to Partnership activities is tracked. When we began our evaluation, SSA had neither conducted its own evaluation of Partnership nor developed an inventory of its Partnership activities. In July 1997, SSA established the Partnership Evaluation Team to design and conduct an evaluation of SSA's Partnership activities. Because of this, we revised our approach so that we did not duplicate SSA's efforts. Our review found the following.

- The definition of Partnership and related activities was unclear.
- The inventory of Partnership activities was questionable.
- SSA's systems did not provide sufficient data to support a quantitative interpretation of the results or accomplishments from Partnership.

Both SSA and AFGE took exception to the conclusions from our review of Partnership.

In conclusion, based on our recommendations and its earlier actions, SSA has strengthened its procedures and controls to ensure that official time is used appropriately, that allegations of suspected abuse are resolved, and that official time data are complete and accurate. We also recommended that SSA develop a formal system for identifying Partnership accomplishments and resultant cost savings. Neither SSA nor AFGE agree with this recommendation.

Chairman BUNNING. Thank you, Mr. Huse. Let me start out by starting the questioning, and we're going to limit it to 5 minutes, and we go around as many times as necessary.

You indicated that the American Federation of Government Employees initially advised SSA employees not to cooperate. How long did this problem go on, and how was it resolved?

Ms. GARDINER. I'll answer that question.

Chairman BUNNING. All right.

Ms. GARDINER. It caused about a 4-month delay. We sent out our surveys in June of 1997, and shortly thereafter the AFGE Council 220 president sent out an e-mail message to all council members requesting that they not complete the survey. And thereafter, union representatives refused to be interviewed, and refused to complete the survey form.

So, on June 26th we asked the then Acting Commissioner, Callahan, for his assistance in obtaining cooperation; and his senior managers did get involved and helped us. And after extensive negotiations, the union did advise its members to cooperate, and to complete the survey, except for four questions that they found objectionable. And that message went out in September.

Chairman BUNNING. In other words, when did the second mailing without the four questions go out?

Ms. GARDINER. Well, actually we never removed the four questions——

Chairman BUNNING. They just didn't answer them?

Ms. GARDINER. That's correct. We agreed that we would consider that to be adequate cooperation, if they would complete all but the four questions. And the second survey went out in October.

Chairman BUNNING. What was their reason? Just the fact that they found them objectionable?

Ms. GARDINER. Yes, that's what they shared with us.

Chairman BUNNING. In your testimony, you stated that you made some minor modifications to one of the surveys. Was there anything other than the four questions that was objected to? Was there anything else?

Ms. GARDINER. No, that's correct. We actually did not modify it; we just simply informed them that we had agreed with the union that they would not have to answer the four questions, and we listed those questions for them.

Chairman BUNNING. Now, I'm going to read what I thought were the four questions, and I want a verification.

"How long have you been a union representative?" Was that one of them?

Ms. GARDINER. Yes.

Chairman BUNNING. "Do you hold any executive officer position in your union?" Is that another one?

Mr. HUSE. Yes.

Chairman BUNNING. "What are typical union activities for you, and what portion of your official time do you spend on each?"

"What administrative support does the union pay for, and how much does it cost?"

Are those the four questions?

Ms. GARDINER. Yes, they are.

Chairman BUNNING. SSA reported that union representatives used 481,945 hours of official time, at a cost of $14.7 million for fiscal year 1996.

Now, I know 1997 has been brought up, and some of those times and costs are down. How does SSA compute the cost of official time?

Ms. GARDINER. They take the total number of hours that have been reported as being used for official time, and then they multiply that by an average salary for all SSA employees, which is about $19 an hour. And then they add in benefits and overhead rate, and they come up with a total figure for that.

In addition to that, they also include union-related office space expenses, telephone, travel, as a minor administrative cost.

Chairman BUNNING. You said that you couldn't verify the 481,945 hours reported by SSA. How big of an error did you detect in this?

Ms. GARDINER. We weren't able to draw any conclusion on the total error rate for all of the hours, because the controls in place were insufficient to provide us with complete information for the nationwide figure. But what we did do, was we looked at two components, and we looked at all of the hours they charged for the fiscal year 1996. And for one of them we found a discrepancy of 7,535 hours that were over-reported; that was in headquarters; and in

the Office of Hearings and Appeals in Falls Church, we found that they had a discrepancy of 6,981 hours where they over-reported.

Chairman BUNNING. What were the causes of the discrepancies, and were they able to be reconciled?

Ms. GARDINER. Most of the problems were that there weren't time reports.

Chairman BUNNING. No time reports?

Ms. GARDINER. Right. Missing time reports. And they were able to resolve most of the hours for headquarters, but for the Office of Hearings and Appeals, they were not.

Chairman BUNNING. What are examples of appropriate time charges for official time?

Ms. GARDINER. It's generally meetings, and discussions, negotiations on labor-management relations issues, or contract issues, working on grievances, arbitration, things like that.

Chairman BUNNING. Mrs. Kennelly will inquire.

Mrs. KENNELLY. Thank you, Mr. Chairman.

Mr. Huse, if you were right now the Commissioner of Social Security, and had SSA's limited resources, what would you do to respond to this report that we have in front of us today?

Mr. HUSE. Well, I would take the system that SSA already has, the OUTTS system, and ensure, first of all, that it works, and that it works well.

The OUTTS system is new, but it is an automated system, and basically the best way for SSA to manage this type of time is through an automated information system. So, compliance with that, ensuring that it's used universally across SSA, that's what I would do.

Mrs. KENNELLY. So you would automate?

Mr. HUSE. Well, they have a new automated system that they're deploying now, but I'd ensure that it works, and works well.

Mrs. KENNELLY. No other changes? Well, we've got a big book here.

Mr. HUSE. You're talking about monitoring official time?

Mrs. KENNELLY. What I'm saying is that we have these suggestions, and it's one thing to give suggestions. Now, I'm putting you in the position of carrying them out, and I'm trying to find out if in fact it would be expensive to do these things. The bottom line is, I want to know if it would cost money, or would we save money, if we carried out this report. I mean, that's why we do these reports.

Ms. GARDINER. Yes. If I may add a little bit more.

The OUTTS system currently only covers field offices and Teleservice Center employees, so expanding that system also would be useful.

First, generally improving the tracking—they also should probably do a better job of when suspected abuse is reported, of getting back to the managers, and providing some feedback on what the resolution of that was.

And probably the other piece would be to just better define partnership, so that people know how to charge time appropriately as well.

Mrs. KENNELLY. If I read what you're saying, you're saying that you're already doing what the report suggests—you just have to do it more quickly, or more efficiently?

Mr. HUSE. They have to do—they already—as I said in my testimony, the SSA has come to some of these conclusions itself, and had developed, and is deploying the OUTTS system. But they need to make that universally used across SSA. It isn't right now.

Mrs. KENNELLY. So, it's implementation that we're talking about?

Mr. HUSE. It's implementation. Secondly, and the other key point, is where there are instances of suspected abuse, they need to get the information back to the original complainer. We found that some of the managers were confused as to the resolution of some of these activities.

Mrs. KENNELLY. Well, let me just ask one more question, now that you've brought this up.

You state in your testimony that some managers were suspicious about the abuse of official time. Does the OUTTS system provide a procedure for dealing with this kind of suspicion?

Mr. HUSE. No, no. The OUTTS system is merely an accounting system. There is a free-standing system, where managers who suspect abuses of official time, report those to the appropriate office in SSA, which is the Office of Labor—OLMER is the acronym, for the Office of Labor, Management, and Employee Relations. And they act as the entity inside SSA to resolve these issues.

Mrs. KENNELLY. Well, have you found any patterns of abuse that you could follow to get this done quicker, or are we really talking about something that really isn't there to any great extent? That is, things are moving along rather well, we've seen improvement, and this is much to do about not too much?

Mr. HUSE. Our survey and reports are limited to the samples that we used in coming up with these findings. We can't extrapolate from that to say that it's anything more than what we've reported in these audits.

Mrs. KENNELLY. Thank you, sir.

Chairman BUNNING. Let me just interject. Maybe tomorrow, Mrs. Kennelly, you can ask the managers who will be here that exact question, and maybe they'll be able to enlighten us a little more, because the managers will be here tomorrow.

Mrs. KENNELLY. I'm trying to find out if we really have a real problem here. I read my statement, and it seems we've seen a good deal of improvement over the last decade. Then I look at the report, and I see that things have improved. It seems to me that things are in motion, and if we let them go forward, and everybody tries to move a little more quickly and with a little more efficiency, we would resolve this problem.

Do you think I'm right?

Mr. HUSE. Well, we don't disagree with you. We think that managing the issue with the tools that are in place would be very good; but we have to ensure that the communications end of it works also, and that's where we found perhaps some room for improvement.

Mrs. KENNELLY. Thank you, Inspector.

Chairman BUNNING. Mr. Collins would inquire.

Mr. COLLINS. Thank you, Mr. Chairman.

As a followup to Mrs. Kennelly's question about resources, is there an established amount of resource available for union activities within the Social Security Administration?

Ms. GARDINER. There are hours called bank hours that are defined in the collective bargaining agreement.

Mr. COLLINS. Is there an established appropriated figure for union activities in the Social Security Administration? I believe the answer to that is no.

Mr. HUSE. OK.

Mr. COLLINS. Under Public Law 15078, "provided for the reimbursement of the cost, with interest, from the general fund for union activities, but no cap on the cost."

In one sense of the word, there's really no limited resource for union activities; just a report to verify the cost of union activities.

Mr. HUSE. Correct.

Mr. COLLINS. In your summary report, you mention the response rate from the survey, consisting of 52 percent of union representatives and 85 percent of the managers, which limits your conclusions.

Because of this, you cautioned against broad conclusion from the results of your review. What would be the narrow conclusion of your review?

Mr. HUSE. The narrow conclusion would be limited to the findings we bring to the Subcommittee from our review work.

Mr. COLLINS. And those are?

Mr. HUSE. Those are that we found——

Mr. COLLINS. On page 3 of your summary?

Mr. HUSE. Yes, sir.

Mr. COLLINS. That the definition of partnership related to activities is unclear.

Mr. HUSE. Correct.

Mr. COLLINS. The inventory of partnership activities was questionable.

Mr. HUSE. Correct.

Mr. COLLINS. And that the Social Security Administration's system did not provide sufficient data to support the quantitative interpretation of the results or accomplishments from partnerships.

Mr. HUSE. That's correct, sir.

Mr. COLLINS. You did not go through your last paragraph in your summary; which you said, "In conclusion, based on our recommendations and its earlier actions . . ."

It seems as though, since you began your work, Social Security has taken some positive actions toward their problems.

Mr. HUSE. They have.

Mr. COLLINS. That Social Security has strengthened its procedures and control; that the allegations of suspected abuse are resolved; and official time data are complete and accurate.

You also recommend to the Social Security Administration the development of a formal system for identifying partnership accomplishments, and resultant cost savings. That was a recommendation.

Mr. HUSE. Yes, sir.

Mr. COLLINS. But neither Social Security nor the union agreed with this recommendation.

Mr. HUSE. That's correct. They do not.

Mr. COLLINS. What was their purpose for not agreeing?

Mr. HUSE. In their view, they have adequate definitions of partnership that they work with, and that they believe——

Mr. COLLINS. We can't hear you. Wait a minute. It seems as though we have union employees in the Longworth Building. [Laughter.]

That was their objection, I reckon. Go ahead with your reasoning.

Mr. HUSE. In their view, they believe they have a good inventory of activities that come under partnership; however, they don't agree that partnership can be defined; that the definition has to be broad by the very nature of labor and management relations. We believe that it needs to be defined in order to quantify it, and that's what divides us on this issue.

Mr. COLLINS. But were you asking them to define partnership, or were you asking them to come up with a way to list their accomplishments and the result of cost savings? Which were you asking them to do?

Mr. HUSE. We're asking them both, because the definition needs to come before we can quantify what it is they do. And this is an area where we came right out to the margins of our role as factfinders. We didn't attempt here to impose any kind of a definition on labor-management relations, nor did we take a view of what is right or wrong in that regard. That would have been outside the scope of our responsibilities.

Mr. COLLINS. I've got about 30 seconds left.

Chairman BUNNING. Go right ahead.

Mr. COLLINS. You will be going back. Do you expect to find positive results, a defining of a partnership, and the accomplishments in the cost savings?

Mr. HUSE. Not in terms of partnership, unless there is some attempt made to define what partnership is. For us, as a mechanism to look at partnership, we need to have something to measure, sir, and that's what we didn't have. We don't have a definition with which to start this analysis.

Mr. COLLINS. Was not the partnership directive of an Executive order? Should not that Executive order have defined the partnership between the union and the administration?

Mr. HUSE. It did give a broad definition, yes, in the President's Executive order.

Mr. COLLINS. Well, evidently, they're not even accepting the broad definition of the Executive order, if they will not come up with a definition of partnership.

Ms. GARDINER. Part of where we ran into difficulties was that we initially used that as our definition, what was in the Executive order. And when the Social Security Administration did its inventory and its evaluation, that it didn't really define to the employees who were submitting their ideas, partnership. And so they got a wide variety of activities.

But then, what made it more difficult was, when the agency defined what partnership was for purposes of time reporting, they came up with a different definition. And that's when it became——

Chairman BUNNING. The gentleman's time has expired.

Mr. Levin.

Mr. LEVIN. Thank you, Mr. Chairman. And I think we are all in agreement that, as you said in the end of your statement, we need to protect the integrity of Social Security and respect union rights, while rooting out abuse in the workplace. Abuses should clearly be rooted out. So, let me ask you a bit about the workplace.

Is the partnership concept one that is embraced in private industry?

Mr. HUSE. I believe that it is, but I can't speak to it with any authority, sir.

Mr. LEVIN. Have you ever looked at what's happening in private industry?

Mr. HUSE. Just as a citizen. I mean, I understand the concept. I understand it.

Mr. LEVIN. I suggest someday you come with me to a Big Three plant, not GM at the moment.

The concept of union representation, do you know whether that concept of allowing employees in private industry to spend time in union representation—this could be in a nonunion plant, in group representation—does that also exist in private industry?

Mr. HUSE. Yes, it does, sir.

Mr. LEVIN. Do you have any idea what was the pattern before 1993, or 1994, or 1995, in terms of the level of union representation? Do you have any comparative data at all?

Mr. HUSE. We only can compare the data that we've acquired since the partnership has been put in place, since the 1993——

Mr. LEVIN. But there was union representation before the Executive order, right?

Mr. HUSE. That's correct.

Mr. LEVIN. And, have you looked at the data for periods before that?

Mr. HUSE. Yes.

Mr. LEVIN. You have. What does it show?

Ms. GARDINER. In terms of the numbers of union reps, or in terms of——

Mr. LEVIN. Well, in terms of hours, numbers?

Ms. GARDINER. I don't have it in front of me, but I believe that the hours and the numbers of union reps actually increased a little bit after partnership, and I believe that was in the GAO report.

Mr. LEVIN. A small amount?

Ms. GARDINER. I don't recall.

Mr. LEVIN. Did you make any effort to compare now and then?

Ms. GARDINER. No, we did not.

Mr. HUSE. No.

Mr. LEVIN. Isn't that relevant?

Ms. GARDINER. Well, the main thing that we were looking at was the accounting of the time versus the appropriateness of the time, or the appropriateness of the number. We didn't enter into that sort of value——

Chairman BUNNING. Could the gentleman yield?

Mr. LEVIN. Yes.

Chairman BUNNING. There is a measure of union activity, starting in 1993, prior to right when it started, until the current date.

Mr. LEVIN. I'm talking about before 1993.

Chairman BUNNING. Oh, OK.

Mr. HUSE. That was outside the scope of our review, sir.

Mr. LEVIN. You don't think it's relevant to compare now with 8 or 9 years ago?

Mr. HUSE. Well, that wasn't our charge from the Subcommittee, and we didn't look at that.

Mr. LEVIN. Let me read you a statement from the opening statement. This is Mr. Bunning's statement.

After he says, "People who are paid by the taxpayers, should work with the taxpayers." "Instead, what we have here is a bunch of no-shows, go-slows, and who-the-hell-knows."

Do you think that characterizes the work of most of the people who are within the definition of representatives who are dealing with labor-management issues?

Mr. HUSE. We didn't look at the issue to—we only bring to the Subcommittee our findings, sir. We don't make—nowhere in our reports does it say anything that affirms what you just said.

Mr. LEVIN. There's nothing in your report that affirms what I just read?

Mr. HUSE. When you're talking about making a universal judgment on labor-management issues at Social Security, no, they do not. Our reviews are limited to the facts that I spoke to in my summary.

Mr. LEVIN. So, your report you don't think would substantiate that conclusion?

Mr. HUSE. We didn't do any work to look at the philosophical aspects of labor and management relations at Social Security, nor to get into that area of policy at all.

Mr. LEVIN. OK

Chairman BUNNING. I'd like to enter into the record for Mr. Levin's statement, Expenditures for SSA Union Activity from 1990 to 1995. This is prior to the Partnership Act.

Starting in 1990, there was $6.2 million; 1991, $6.3; 1992, $6.2; 1993, $6 million. Then the Partnership Act was instituted by Executive order. In 1994 it went to $9.1; in 1995 it went to $11.0; in 1996, you have that number, it went to $14.7; and 1997, for the first time after we got a hold of a little bit of it, it went down to $12.4 in 1997.

So, for the record.

The next gentleman is Mr. Johnson.

Mr. JOHNSON of Texas. Thank you, Mr. Chairman.

Is it true that under U.S. Code, Title V, that, "Any employee representing an exclusive representative in negotiation of the collective bargaining agreement under this chapter shall be authorized official time for such purposes, including . . ."?

In other words, "The number of employees," it says, "for whom official time is authorized shall not exceed the number of individuals designated as representing the agency."

Is that a true statement? Is that the law?

Mr. HUSE. That's pretty accurate, yes, sir.

Mr. JOHNSON of Texas. Did you look at the agency with regard to that, and determine how many employees then that would affect; and what is the number that you concluded that they should have

representing the union that work directly for the Social Security Administration?

Ms. GARDINER. We didn't look at it in total to make a determination of exactly how many they should have nationwide, but we did do it in selected offices, and headquarters, and others. And we did find one instance in headquarters where they were authorized to have 11 assistant chief stewards, but in fact the bargaining agreement showed that they should have only had 7.

I believe that's your question; that in that particular instance they had more union representatives than they should have.

Mr. JOHNSON of Texas. Did they take them off of the free time when you all told them that?

Ms. GARDINER. I'm not sure.

Mr. JOHNSON of Texas. Did you ask them to? Is that part of your report?

Ms. GARDINER. Well, we put it in the report, but truthfully, I'm not sure.

Mr. JOHNSON of Texas. You don't know if they've acted on it yet or not, is that the answer?

Ms. GARDINER. Actually, we just told them that they need to monitor that more closely, and abide by the——

Mr. JOHNSON of Texas. How do you account for the fact that the Social Security Administration has allowed, according to you, employees who used official time to go from 1,800 to 2,144 from 1996 to 1997? Why would they do that if there's a specific limit on who can do union activity on official time?

Mr. HUSE. In the course of these reviews, we made recommendations that they comport with the law, and that they have the appropriate number of representatives.

We stop short of going beyond that into looking at the reasons why, or why not, that these unofficial representatives——

Mr. JOHNSON of Texas. You stated in your report that the agency officials, the management per se, didn't understand the law or didn't pay any attention to it? Which is it that you discovered?

Mr. HUSE. Well, I think that particular issue of understanding was a statement we make in our reports pertaining to Social Security's managers themselves, who really don't understand the law, and don't know how to apply the rules. They're first-line managers, and that's where some of the confusion in official time reporting——

Mr. JOHNSON of Texas. But as the Chairman indicated earlier, they stonewalled you for a while. Do you attribute that to ignorance, or do you attribute it to the fact that these union activities were being overlooked?

Ms. GARDINER. There are certain agreements where the language is a little bit unclear as to how many union representatives they should have. So some of it could be that it was unclear, and other incidents were that they simply weren't monitoring it that closely to identify it when it occurred.

Mr. JOHNSON of Texas. OK. On a different subject, I understand you're familiar with a case regarding the continuing practice of granting various amount of time of excused absences to bargaining unit employees at the end of the year holiday season, for purposes

of Christmas shopping. And that you also got involved in investigating fraud in the workplace involving a travel voucher.

Can you explain those two things to me?

Mr. HUSE. I can, sir. It is true. We did investigate an instance where an employee, who was a union representative, presented a voucher to the agency for reimbursement for his mileage for some activities that he claimed he was conducting appropriately, and we found that it was a fraud. I have to add that this union official was disciplined by the agency for that.

Mr. JOHNSON of Texas. But he's still working for the agency, isn't that true, and still working on union activities?

Mr. HUSE. That is correct, he still is.

Mr. JOHNSON of Texas. Thank you.

Chairman BUNNING. The gentleman's time has expired.

Mr. Neal will inquire.

Mr. NEAL. Thank you, Mr. Chairman.

Mr. Huse——

Mr. HUSE. Yes, sir?

Mr. NEAL [continuing]. Let met try to provide some context, based on my experience as a former mayor, who had to bargain directly with 36 different bargaining units, and ask if any of the following practices would be deemed unusual:

Oftentimes, particularly at the critical stages of negotiations, when the unions requested a direct opportunity to speak to me, rather than the bargaining team that had been assembled, and we knew were down the home stretch of negotiations, it would not be unusual for me to be sitting across the table from a patrolman with a uniform on, and a helmet beside him.

It would not be unusual for a fireman—a fire person today—for a fireman, fire person, to be sitting across the table from me in full uniform. A sanitation worker would sit there with a uniform on. And any of us whoever campaigned at a plant, it would not be unusual for the steward to stand outside the plant with us, introduce us to the employees, and then go inside, once the clock had been punched, and accept the grievances that had been offered by the employees or others.

Do you find any of those patterns to be unusual?

Mr. HUSE. Not at all.

Mr. NEAL. That's fairly common in municipalities across the country, and even in the private sector; the steward is given time off; because of what? The steward is given time off because they have successfully bargained that as part of the agreement——

Mr. HUSE. That's correct.

Mr. NEAL [continuing]. That management has accepted as an inducement to improve morale in the workplace.

Now, do you find anything that I've offered here to be unusual?

Mr. HUSE. Not at all, sir.

Mr. NEAL. Is it common practice?

Mr. HUSE. That's correct.

Mr. NEAL. Fairly common practice.

Now, with the complaint that was raised by Mr. Johnson here, about employees that might have been given time off to do Christmas shopping. Now, that was bargained, I assume.

Mr. HUSE. It was bargained, that's correct.

Mr. NEAL. OK. So, it's the job of management in that instance if they think that there's been a pattern of abuse that has been developed in a previous contract, to go back and what?

Ms. GARDINER. Rebargain.

Mr. HUSE. Rebargain——

Mr. NEAL. Rebargain it, to negotiate it.

I mean, many of the best companies that I know of are those companies where management and the work force not only trust, but like each other. The best managers that I had when I was mayor, the best department heads that I had were often those who could accept the testimony that the employees trusted their judgment to interpret the final package.

Now, is that unusual?

Mr. HUSE. It's not, sir. We were very careful in the conduct of these reviews and surveys not to get into any kind of value judgment on the efficacy of labor and management relations. That was not our intention, nor did we ever cross that boundary.

This is strictly about accounting for time, and methodologies for doing that. And then establishing specific internal controls so that time can be accounted for. That's all this is about. We did not look at labor and management issues at all. That would have been way outside our charge.

Mr. NEAL. The simple point that I try to drive home here, is that somehow it's being suggested in this setting that there has been an unusual practice; when the truth is, the best way to air grievances in the workplace is to have a work force that through organized activities, if that's what they choose, or unorganized activities, if that's what they choose, that is able to voice those grievances to management in a forum that management has bargained and accepted.

Would you——

Mr. HUSE. I think that's a good thing.

Mr. NEAL. You think that's a good thing. OK.

Ms. Gardiner, would you care to say anything?

Ms. GARDINER. No.

Mr. NEAL. No?

Ms. GARDINER. I would agree.

Mr. NEAL. OK. Thank you very much.

Mr. HUSE. You're welcome.

Chairman BUNNING. Let me just suggest to the gentleman from Massachusetts, we had something in the private sector that we all seemed to vote for on the floor of the House called the Team Act, and kind of set that up in the private sector, exactly the same situation that you're talking about, and they agree with you on. And unfortunately, it didn't get anywhere. It passed the House, but never got past the Senate.

What I'm saying is, it's not a usual practice. I have never had a team steward, or whoever, go outside—for instance, General Electric Appliance Park in Louisville, Kentucky, and introduce me to anyone. Or I never had that same——

Mr. NEAL. You keep supporting the Team Act; you can be sure you won't be doing that——

Chairman BUNNING. You can bet your life—good legislation. I continue to support it. I never had that same union steward go into

the plant and introduce me down the line. To the contrary, it would be very unusual if that occurred.

Mr. NEAL. I think that what I meant was that the fellow would stand outside and introduce you to the employees, punch the clock, go in, and then handle legitimate grievances. I didn't suggest for one second that at that point that you were inside the plant, and the steward was taking you around to some unusual duty.

Typically, when you visit a plant, my experience has been that management and the union take you around. And you can always tell a good company, and a happy company, where the two sides are not pulling you aside to say, let me tell you about those other SOBs on the other side.

Chairman BUNNING. I can get you a plant in northern Kentucky, by one of the Fortune 500 companies, that had a union representative and a management representative, and they were working under the team concept that we tried to get passed in the Congress.

The gentleman from Illinois, Mr. Weller.

Mr. WELLER. Thank you, Mr. Chairman. I think I'd like to direct my question to Mr. Huse, and of course trying to bring things into perspective.

But I'm a supporter of collective bargaining, as I think most of us are, and at the same time I think our first priority is protecting the tax dollar, and the interest of taxpayers. And I'm concerned when I see that over 2,100 employees, at an expense of over $12 million was spent by taxpayers. And particularly, as we think about the impact on the Social Security Trust Fund of this type of action, was spent solely on union activities. And that's pretty high priced—over 2,100 employees at over $12 million.

And we've been talking a little bit about official time, which is taxpayer time. I think it shouldn't be called official time; it should be called taxpayer time, where someone is performing certain activities at the expense of the taxpayer, and in this case not related to the responsibilities of the Social Security Administration.

In looking at your report, Mr. Huse, and we were talking about at what level of abuse of taxpayer time is acceptable, and whether or not that abuse of taxpayer time is part of a collective bargaining agreement. I think it's stated somewhere in your report that somewhere around 1 out of 4 managers, or 25 percent of managers suspected that there was abuse of taxpayer time.

Is that true? Is that the case, according to your report?

Mr. HUSE. That's correct.

Mr. WELLER. And is that of the people we contacted?

Mr. HUSE. Correct.

Mr. WELLER. And is that comparing the private sector to the taxpayer finance sector? Is 25 percent, that level of abuse, is that acceptable, or is that an area we should be concerned about?

Mr. HUSE. I don't disagree with your concern, but I can't speak to what the public acceptance of that might be at all.

Mr. WELLER. And there are some who think that the public might accept a level of 25 percent of managers feeling that taxpayer time is being abused. Some would feel that's acceptable? Do you believe there's anyone out there who feels that's acceptable?

Mr. HUSE. No, these were managers that had suspicions or qualms about these abuses of official time from their perspective. We did nothing in our survey to go beyond their suspicions or qualms to confirm or deny these allegations.

Mr. WELLER. And, of course, Mr. Johnson I think first brought up a situation where on taxpayer time employees in Boston would go Christmas shopping, on taxpayer time. And the argument for saying this is a good practice, is something that we should do, is because it accommodates those employees who would rather shop on less busy days, while everyone is working?

Mr. HUSE. Again, sir, we heard of that incidence, however, we did not determine the value of any of these collective bargaining——

Mr. WELLER. Sure. And I'm not asking you to make a judgment, but obviously you identified an area of abuse of the taxpayer, where they were shopping for Christmas on taxpayer time during the work day.

How many employees in Boston participated in this—my understanding is it went on for 20 years, and the union felt that they should continue. In fact, according to your report, I believe it's a practice that's continuing through 1998, which is this year.

How many employees have the privilege of going shopping on taxpayer time?

Mr. HUSE. We're not exactly sure of the number, but it would be the number of employees that are covered by that bargaining agreement in Region 1, which is the Boston region.

Mr. WELLER. And then were these employees expected to come in and make up the time somewhere else, or they were just given a half day off at taxpayer expense to go Christmas shopping?

Mr. HUSE. We only know of the practice and the agreement. We did not look into the details of that particular——

Mr. WELLER. You don't know how widespread this abuse is, whether or not it goes on in Chicago or anywhere else?

Mr. HUSE. Well, again, sir, I'm careful not to call it abuse, because this is part of an agreement. I have to be very careful in my role as the Inspector General, not to make these value judgments on what is or what is not appropriate.

Mr. WELLER. If I'm down at the VFW in Morris, Illinois on Union Street, and I would explain to them, do you realize that employees of the Social Security Administration at taxpayer expense are going shopping for Christmas while you're working. Now, they would say, gee, that's wrong. And, I mean, that's just common sense.

Let me ask this here: There were some employees—union officials—who were on taxpayer payroll. Tell me if these are true abuses that you identified in your report; that a union representative frequently used official time, would be gone for most the day. The representative simply returned to the office at the end of the day, and then work overtime, claiming overtime.

Is that true that that abuse occurred, according to your records?

Mr. HUSE. These are instances that were reported to us by managers during our survey. We did not conduct any investigation of any of these instances whatsoever.

Mr. WELLER. Another one here. Union official spends most of his day playing on the Internet. He plays games, chats with other peo-

ple in general, and does things not related to union, or Social Security Administration business.

Is that another item that you identified in your report?

Mr. HUSE. That's what was reported to us by the managers.

Chairman BUNNING. The gentleman's time has expired.

Mr. WELLER. Thank you, Mr. Chairman. Clearly there's abuse here.

Chairman BUNNING. The gentleman from Missouri.

Mr. HULSHOF. Thank you, Mr. Chairman. You mentioned that the information as is practiced is through surveys through the mail, and it's difficult to verify the information. But clearly, I would suppose you see this as valuable information?

Mr. HUSE. In the context of what we were trying to do, yes, it's of value. Because it indicates and affirms this issue of suspicions or qualms about official time, and the confusion about it.

Mr. HULSHOF. As you know, this is the first in a couple of days of hearings on this particular issue, and anticipating what may come in future days, it's my expectation the Social Security Administration will talk about their inability to monitor the union's use of official time, because they're hampered by a series of arbitrator and Federal labor relations authority decisions.

Can you help clarify that for me, explain those circumstances?

Mr. HUSE. Yes, sir. It is a definite problem for them. There are a number of FLRA decisions and collective bargaining agreements that prohibit them from actually peeling back some of these activities; and it forms an impediment to managers to actually ask questions about what is this for.

For example, if someone invokes one of these agreements, that stops the inquiry at that point.

Mr. HULSHOF. But are you saying that, for instance, these arbitrators' decisions are actually binding on the Social Security Administration?

Mr. HUSE. That's correct. They're binding on them in terms of implementing these agreements.

Mr. HULSHOF. I see someone behind you shaking your head, no.

Ms. GARDINER. I believe that they can renegotiate though the collective bargaining agreements, and then that would take precedence over the previous arbitrator decisions.

Mr. HULSHOF. So there is the ability of the Social Security Administration to renegotiate?

Mr. HUSE. Right.

Mr. HULSHOF. Is that right?

Mr. HUSE. But while the agreement is intact, then they have to comply with it. That was my——

Mr. HULSHOF. OK. As a last question, we understand that the list of union representatives provided by the Social Security Administration was incomplete, perhaps outdated.

Can you tell us what effect that had on your surveys?

Mr. HUSE. I think Ms. Gardiner will be glad to tell you that.

Mr. HULSHOF. Ms. Gardiner.

Ms. GARDINER. Well, actually it affected the survey that we're not really talking about today, because it hasn't been issued. The problem was that, for the survey that we did conduct on Council 220, the agency had a list, and we were able to send those surveys

out. For the other councils that were not Council 220, like ROPIR or OHA, we needed them to provide us a list, and they were unable to do. So it was several months delay as a result.

Mr. HULSHOF. I appreciate your time. Mr. Chairman, I yield back.

Chairman BUNNING. Mr. Becerra.

Mr. BECERRA. Thank you, Mr. Chairman.

Actually, before I begin the question on this, the Team Act was mentioned. I'd like to just make a point on the Team Act. A number of us, we're very concerned about the Team Act. Even though we'd like to say labor organizations and management work more as a team, our concern was that the Team Act went way beyond saying that the two entities should work together as a team.

The Team Act, as I think it still reads, even though it has not yet passed and become law, still allows the company to actually recognize a new employer organization as the actual union for these employees, and therefore engage with that organization on such issues as wages, overtime pay, and dates of work. Those are issues of collective bargaining, which I know that under the National Labor Relations Act are limited to only those organizations that have been voted in by their employees to the unions that serve them.

So, the concern that many of us have is that the Team Act goes way beyond talking about working together as a team. It actually redefines what a labor organization is, and who will represent it. And that's the biggest concern we have, is that you will have sham organizations set up by companies, as we saw in the past before the NLRA, to try to at least ostensibly represent these employees.

Mr. Huse, if I could ask a question. With regard to the 25 percent of supervisors who apparently reported some suspicions or qualms about abuse of official time, did you document any case of abuse of official time?

Mr. HUSE. Yes, we would, if it were reported to us as such, sir.

Mr. BECERRA. Did you—in other words, in the process of hearing back from individuals that there was suspicion of abuse of official time, did you undertake any efforts to investigate any of those allegations?

Mr. HUSE. No, we did not, not in these that we're reporting here.

Mr. BECERRA. So, as far as we know from your report, at least at this stage, there are suspicions out there, but there's no documentation of any actual abuse by any employee?

Mr. HUSE. That's correct.

Mr. BECERRA. Did any of these supervisors—the 25 percent or so who said that they had suspicions or qualms about abuse of official time—indicate to you that they took official action to try and document the alleged abuse of official time?

Mr. HUSE. Yes, they did.

Mr. BECERRA. And in those cases where they reported having taking action, was action taken?

Mr. HUSE. As far as we know it was, or a decision was made. Yes, a decision was made as to whether or not it constituted official time.

But the problem was that the first-line manager that made the report—and that was what I mentioned in my statement—they

were not informed of the agency's decision. So that's one of the areas we've asked them to improve, is to get that feedback back to the first-line manager.

Mr. BECERRA. And employees have no way themselves to try to improve that communication between the managers at the local level, and the agency heads who actually conduct the investigation, do they? Do the employees have any way to effect that?

Mr. HUSE. No, the employees don't know.

Mr. BECERRA. So, no one here can blame an employee for a process that management has set up that may not work that well, I would imagine.

Mr. HUSE. That's correct.

Mr. BECERRA. My understanding is that the number of unfair labor practice charges have dropped in the recent years within the Social Security Administration. Is that accurate?

Ms. GARDINER. That's correct.

Mr. BECERRA. And I read some information where the average cost of a charge of unfair labor practices filed by an employee could cost on average about $28,000 to the agency, which means to the taxpayer. If the numbers I have are correct, that in 1993 the number of unfair labor practice charges filed by employees was 382, and in 1996 there had been a drop of over 50 percent to 168 unfair labor practice charges, my quick math showed me that we saved about $6 million by having reduced the number of unfair labor practice charges filed by employees.

Do you have any reason to disagree with that?

Mr. HUSE. Well, that's not any work that we looked at, but I have to accept your figures. On their face it seems reasonable.

Mr. BECERRA. Or generally—not to bind you to my math, because my math could be wrong—every time we reduce the number of complaints by an employee that he or she is being treated unfairly by management, we save money because we don't have to go through the process of investigating the charge, correct?

Mr. HUSE. That's true.

Mr. BECERRA. And so, if we reduce the number of charges filed by employees who feel aggrieved, by 214 or so over the last 3 years; and it cost somewhere around $28,000 to process those charges, we've saved about $6 million by having more partnership between management and employees.

Mr. HUSE. Again, we didn't do any work to verify that, or look into it, but I accept your analysis.

Mr. BECERRA. Thank you very much. Thank you, Mr. Chairman.

Chairman BUNNING. The gentleman from Arizona, please.

Mr. HAYWORTH. I thank the Chairman. Mr. Huse, Ms. Gardiner, thank you for coming down today.

Mr. Huse, would you agree that there is a distinction between the public and private sectors?

Mr. HUSE. Well, there certainly is a distinction, yes.

Mr. HAYWORTH. In other words, there's a distinction that we could probably define as public or Federal Government employees those people who work for the taxpayers, while individuals in private industry don't work for the taxpayers, they work for private industry; the stockholders, the shareholders, the people who own the companies, correct?

Mr. HUSE. Correct.

Mr. HAYWORTH. OK. So, we can establish then that in the public sector taxpayer dollars are being utilized for a variety of agreements. And it is in that context where the outrage comes, to know that people willfully by design are ripping off the taxpayers for their own personal conveniences, as documented in this report by the response of managers who suspected abuse, who offered you specific samples of abuse. That is where the outrage comes from.

I understand, Mr. Huse, that you may be reticent to make a judgment, to render a value judgment, but speaking as the duly elected constitutional officer for the people of the 6th District of Arizona, knowing the people I represent as I do, they would consider it an abuse for taxpayer dollars to be whittled away by those who would subvert the true meaning of collective bargaining, and even government service.

Indeed, I want to return to something you said here. Twenty-five percent of the managers suspect abuse, but those were just 25 percent of the managers who were willing to speak to you, correct?

Mr. HUSE. Correct.

Mr. HAYWORTH. How many managers avoided you, and for what reasons did they say they would not respond to your inquiries?

Ms. GARDINER. Actually, the 25 percent represents the responses to the surveys, and so, we think we got pretty candid information on that. Then, we did go and interview managers, and I believe all of the managers did talk to us.

Mr. HAYWORTH. Let me rephrase that. I want to understand this clearly, because I understand there was a reticence on the part of many to even respond to your survey.

Ms. GARDINER. For union representatives that's correct.

Mr. HAYWORTH. Union representatives did not want to respond. Well, this seems very interesting, because it would seem to me if people are proud of collective bargaining, if people would like to champion this, then they should step forward and answer questions.

It brings us back to the outrage in Boston. If there were people for 20 years Christmas shopping on the taxpayer's dime, going out on government time, I guess we ought to ask the question, where were the union leaders there? Where was the AFGE, and all the folks so interested in collective bargaining, to stand up and defend this? Did they defend that right?

Mr. HUSE. Are you asking me?

Mr. HAYWORTH. Yes, I am, Mr. Huse.

Mr. HUSE. I can't answer your question, because we didn't really look into that particular instance, to know who did or who did not—what their motivations were.

Again, we're limited by the work we actually did in this context here.

Mr. HAYWORTH. But we pointed out what can fairly be called an abuse, and for whatever reasons, already documented the fact that many of these proud union leaders were reticent to speak about their involvement in the collective bargaining process, or even give the American people an accounting of the way in which time is used. This seems to me to suggest that they're hiding something; that we've captured just the tip of the iceberg through these ac-

counts of 25 percent of the managers who were willing to respond. And if people are truly proud of this process, they would step forward into the sunlight and explain to us why it's such a good idea for Mr. and Mrs. America to pay people to skate away from their jobs, to go Christmas shopping in Boston, or anywhere in this country, on the taxpayer's dime.

That is an abuse any way you slice it. That is what is wrong. And that is what we have to change. It is an abuse. And I am just absolutely astonished that people would not answer your questions.

What reasons do they give for not wanting to step up and answer the questions?

Ms. GARDINER. Most of the time they didn't say. They just said that the AFGE National did encourage them to answer, but that they chose not to. And that's all they said.

Mr. HAYWORTH. They chose not to give an accounting to the American people. You are agents of the American people, and they chose not to give an accounting. That's very revealing. I thank you for your time.

Chairman BUNNING. Thank you.

The gentleman from Arizona.

Let me just continue on just for a few minutes.

All of this seems to stem from a problem with an Executive order signed by President Clinton in 1993, articulating a new vision, supposedly, of management relations called partnership, that required agencies to involve employees as full partners with management, to identify problems and craft solutions to better fulfill the agency's mission, and service customers.

Under that Partnership Act, does that allow collective bargaining units around this country in SSA to bargain for waste, fraud, and abuse in a labor contract with the Social Security Administration?

In other words, is it able in Boston to negotiate the ability to go out and go Christmas shopping? Is that part of an agreement they have with the Social Security Administration in Zone 1, or whatever you want to call it?

Mr. HUSE. Region 1.

Chairman BUNNING. Region 1.

Mr. HUSE. It was.

Chairman BUNNING. It was. So, the Partnership Act allows collective bargaining units of the SSA to collective bargain waste, fraud, and abuse in an agreement with the Social Security Administration. And that's called good government, and that's helping, better relationships between management and their union representatives? Is that my understanding?

Mr. HUSE. That's not our understanding.

Chairman BUNNING. That's not your understanding?

Mr. HUSE. No——

Chairman BUNNING. Do you think to allow a collective bargaining unit to go and do Christmas shopping on government time is not waste, fraud, and abuse in some manner? Personally? Personally, do you think that that's a normal thing to negotiate?

Mr. HUSE. It's impossible for me to make a personal judgment here because of the office I hold. I have to be a fact-finder, and we just looked at the facts. This is a part of a collective bargaining agreement.

Chairman BUNNING. Then that is a fact what I just stated.

Mr. HUSE. The fact that they had the right to Christmas shop, yes. The value part of it, the worth of it, I'm constrained to answer that, sir. I can't get into that, that's policy. We didn't look at that.

Chairman BUNNING. It's amazing to me that the American people would be asked to OK any kind of collective bargaining unit and privileges granted thereof through negotiations, that would use taxpayer's money for anything but working to better the Social Security Administration, and service to the senior citizens, the widows and children that the SSA trust funds were created for.

And if partnership allows that, the Executive order called partnership in 1993, allows that, then it's seriously flawed, and the Congress of the United States should do something about that Executive order, otherwise we're spinning our wheels.

Mr. HAYWORTH. Mr. Chairman, I think you're absolutely right. We are accountable to the taxpayers. And whether it was part of a collective bargaining agreement or not, for those who earn their living from the taxpayers to confuse Uncle Sam with Santa Claus, and abuse their mission with the Social Security Administration, and in essence abuse the funds within that administration that seniors in this country count on, I concur with the Chairman that we must seek legislative remedies to Executive orders that would usurp and abuse the taxpayers hard-earned dollars and the Social Security Trust Fund. I thank you, and yield back.

Chairman BUNNING. We want to thank you for your—Mac, go ahead.

Mr. COLLINS. Just briefly to go back through some things.

Your mission there was to investigate whether or not union activities complied with relevant laws. Your summation of that was they did not, is that true?

Mr. HUSE. Our mission as we worked it through, based on our——

Mr. COLLINS. I'm reading from your testimony, that "the union activities complied with relevant laws."

Mr. HUSE. That's correct.

Mr. COLLINS. Were your findings that they did not comply with relevant law?

Mr. HUSE. Our findings were that the accounting for official time was not as accurate as we'd like to see it.

Mr. COLLINS. Does that mean it was in noncompliance because the lack of accuracy would affect the reimbursement to the trust funds?

Mr. HUSE. We found that there were inaccuracies.

Mr. COLLINS. So, it was actually not complying with the relevant law which requires accuracy in order to have an appropriate, correct assessment.

Mr. HUSE. We made some recommendations, and the SSA has accepted our recommendations.

Mr. COLLINS. But it's truthful to say that they were not complying, based on your findings.

And also, were they in compliance with the regulations? Yes, for the record that you did nod yes.

Mr. HUSE. I did nod yes.

Mr. COLLINS. As to the regulations, did you find that they were in full compliance with the regulations?

Ms. GARDINER. I can't think of any regulations right off the top of my head that they didn't comply with. It was mostly the bargaining agreements that they did not comply with.

Mr. COLLINS. They did not comply with the Executive order, even though it might have provided a broad-based definition of partnership, according to your earlier testimony.

Ms. GARDINER. That they could have done a better job, but not necessarily that they didn't comply with the law.

Mr. COLLINS. Well, Mr. Huse said that they did not want to accept the recommendation to define partnership still, even though the Executive order required a broad-based definition of partnership, in order to accomplish the means of partnership. Is that not true?

Mr. HUSE. That's true. Because there is no way for us to quantify what partnership is under the present system.

Mr. COLLINS. So they were not in full compliance there. Right? No nod. Yes or no?

Mr. HUSE. Well——

Mr. COLLINS. No "wells."

Mr. HUSE. In their view, they are in compliance.

Mr. COLLINS. Yes or no.

Ms. GARDINER. I do think that they believe they have it defined, so it is a matter of disagreement of opinion. We don't believe it is well defined, they believe it is well defined. So, I think they think they are complying, and we think they could do a better job of complying.

Mr. COLLINS. OK. We'll let you off on that one. They were not complying with the regulations.

Collective bargaining agreement. You did find that they were not complying with collective bargaining, right?

Mr. HUSE. Correct.

Mr. COLLINS. In what manners? More union representatives and supervisors than allowed?

Mr. HUSE. Correct.

Mr. COLLINS. How about in compliance of answering complaints?

Mr. HUSE. We recommended some improvements——

Mr. COLLINS. Were they in compliance with answering—the recommending of the complaints?

Mr. HUSE. They were.

Mr. COLLINS. They were in compliance?

Mr. HUSE. They were.

Mr. COLLINS. Does compliance include telling supervisors to overlook complaints?

Mr. HUSE. Well, that's an improvement to a system that's in place.

Mr. COLLINS. But, is that in compliance? That was in your report; that a supervisor was told to overlook complaints. Is that in compliance, to overlook complaints?

Mr. HUSE. No.

Ms. GARDINER. That part's not, but——

Mr. COLLINS. That's not in compliance.

Ms. GARDINER. The only part that they were required to do though was to bring it to the supervisor's attention, and then it's silent on what becomes of it after that.

Mr. COLLINS. But the supervisors were told to overlook them.

Ms. GARDINER. That's true.

Mr. COLLINS. That's true. Thank you, Mr. Chair.

Chairman BUNNING. Mr. Portman, welcome to the meeting, and you can inquire.

Mr. PORTMAN. Thank you, Mr. Chairman. I was here at the outset, and got to hear all the testimony and beginning of the questions. I'm sorry, I had to——

Chairman BUNNING. Busy with IRS, I understand.

Mr. PORTMAN [continuing]. Had to leave, but I'm back. I appreciate your testimony today, and your report, and the Chairman's holding the hearing. Because this is very important. It's a continuation of our efforts to try to figure out what's really going on. And to try to be fair about it, but to understand what's going on with regard to activities within the SSA.

I heard you talk earlier about the partnership, and I'm sorry, again, I missed the questions. I don't think this question has been asked yet though.

These partnership councils, how many partnership councils are there in the agency?

Ms. GARDINER. I believe there's 42. They have a national partnership council, and regional, and local councils.

Mr. PORTMAN. And of those 42, how many people does that involve?

Ms. GARDINER. I don't know.

Mr. PORTMAN. Is it a different number of people, depending on the level? In other words, is there a larger union here, than at—facilities, the smaller one.

Ms. GARDINER. It varies from council to council.

Mr. PORTMAN. So, every council might be different, in terms of the number of people and how it's structured.

What's a typical council? How many people?

Ms. GARDINER. About 5 to 10 normally.

Mr. PORTMAN. Five to ten people? Did you find that information as to how many hours were devoted to the partnership during the last fiscal year?

Ms. GARDINER. The agency didn't track that consistently. Some people reported partnership time, and some did not. Some believed it was official time, and some did not, so there was no overall accounting of that.

Mr. PORTMAN. And did you get into much detail as to what went on in these partnership council meetings, what they're about? We've heard evidence talking about where shelving units should be placed, and that sort of thing.

Ms. GARDINER. We did look at some of the minutes of the council meetings, but originally our approach was going to be a little bit different on how we evaluate partnership, and so we started out looking at some of the minutes. But then once the agency decided to do its own inventory, we kind of changed gears. So, we didn't really go that route to look at the partnership minutes, and what they were and were not achieving.

Mr. PORTMAN. Mr. Huse.

Mr. HUSE. No, that answer is responsive.

Mr. PORTMAN. Were you satisfied when you looked at the minutes that what was going on in there was productive, was the kind of thing that you would expect these councils to discuss and address?

Ms. GARDINER. We never really completed it, because what we had wanted to do—what we originally thought we would do is look at what the goal of a particular project was, and whether it had been achieved. And we decided not to do that. So, I really can't comment on a conclusion.

Mr. PORTMAN. Is there accountability in the system right now as to what takes place. These meetings are—I assume this is taking away from work, is that correct?

Mr. HUSE. That's correct.

Mr. PORTMAN. So, these are during work hours? These are meetings, 5 to 10 people, councils, 42 of them around the country.

Is there a way that the IG's office can look at what's going on in these minutes, and see whether they are indeed meeting their purposes and being. Is there some accountability measure?

Mr. HUSE. Well, that's our conclusion from our review, that this is something that really needs to be better defined and better accountable.

Mr. PORTMAN. As to the purpose of the meetings, or the council structure itself?

Mr. HUSE. The purpose of the meetings—we didn't get into the actual purposes of the meetings.

Mr. PORTMAN. But you think there should be more accountability as to what goes on, establish a clearer mission, or goals. Is that the idea? When you say more accountability, what do you mean?

Ms. GARDINER. More accountability in that the agency has—well, they issued their report, indicating the results of partnership.

In that it identifies benefits, but it doesn't identify cost. So, what we were recommending is that they have accounting of the hours associated with partnerships, so that when they discuss the benefits, they can also offset those against the cost.

Mr. PORTMAN. OK. So, a lot of the accountability you'd like to see is simply a recordkeeping of how many hours were spent on partnership activities.

Mr. HUSE. So we can make a quantifiable judgment as to the efficacy of this.

Mr. PORTMAN. Right. The other thing, I guess, in terms of quantifiable judgment—my time is running out—is if you could give us more information as to the data that would be necessary to prove the link between partnership in general, and reduced grievances. That would be helpful. Because I'm not sure from your report whether we have that kind of data.

Ms. GARDINER. What we had hoped was that we were going to look at unfair labor practices and grievances that were filed prior to partnership, and then after partnership. And the only thing the agency had was just sheer numbers, just the volume.

Mr. PORTMAN. And you have also a different appraisal system. Going to the pass/fail valuation system would alter that data also, correct?

Ms. GARDINER. Well, we thought we might be able to draw that conclusion, but since they didn't have the number of grievances that were associated with ratings prior to partnership, and those that were associated with ratings after partnership, we couldn't draw that link either, although that it may be likely.

Mr. PORTMAN. So, again, you need more quantifiable information.

Mr. HUSE. Again, that's the big—that's the core of our recommendations around the accuracy of these data.

Mr. PORTMAN. OK. Thank you. Thank you, Mr. Chairman.

Chairman BUNNING. Mr. Becerra, go ahead.

Mr. BECERRA. Let me see if I can understand this. I'm looking at your written testimony, and I'm looking at the final paragraph.

You state in your conclusion, "Based on our recommendations and its earlier actions, SSA, the Social Security Administration, has strengthened its procedures and controls to ensure that official time is used appropriately, that allegations of suspected abuse are resolved, and that official time data are complete and accurate. We also recommended that SSA develop a formal system for identifying partnership accomplishment, and resultant cost savings. Neither SSA or AFGE agree with this final recommendation."

Insofar as that first recommendation, and your statement SSA has strengthened its procedures and controls, and that allegations of suspected abuse are resolved, are you making any recommendation today that we institute additional activities beyond the partnership activities, and the automated management information system that the Social Security Administration has undertaken?

Mr. HUSE. No, that they accepted our recommendations and came—as I said in my testimony, they came to some of these conclusions themselves. This is just with respect to official time.

Mr. BECERRA. So, let me make sure I understand this. As the Inspector General, having audited the Social Security Administration on these issues of official time, the efficacy of the partnership that was formed as a result of the Executive order by the President, are you telling me today that you believe, based on your examination, that the activities being undertaken by the Social Security Administration should be able to resolve any problems that you think needed correcting?

Mr. HUSE. No. My response is narrower than that.

Mr. BECERRA. OK.

Mr. HUSE. Our focus on official time is where we say that the agency has agreed with us and taken corrective actions.

Mr. BECERRA. And are you satisfied with that?

Mr. HUSE. We're satisfied with it if it works. We don't know whether it works or not. OUTTS, this automated information system is new, and we didn't audit that.

Mr. BECERRA. But, are you satisfied at least that the automated management system that they're trying to put in place has the chance to work?

Mr. HUSE. Yes, we are.

Mr. BECERRA. OK. Do you believe it would be worthwhile to allow the system to be implemented to see if it works?

Mr. HUSE. Agreed.

Mr. BECERRA. OK. Continue.

Mr. HUSE. Now, that's on the use of official time. The broader question of partnership is different. This is where the agency and the IG part. We believe that there has to be a definition of partnership if it's to be measured, and it has to be a tighter definition than the agency has extant now.

We also believe that the inventory of partnership activities that they claim are partnership activities needs to be tightened. I think it's somewhere in the thousands now—1,400—1,500 or so different activities that they claim are under the umbrella of partnership. We believe a much tighter accounting needs to be present for those partnership activities.

And then finally, with those two in place, a definition, and then an inventory, we could get to the data to answer the Subcommittee's questions, because we can't now. So, that's what we found.

Mr. BECERRA. So then, let me ask you with regard to the issue of partnership and collecting the data, what would you recommend that this Committee review in terms of the types of data, and the form of the partnership, which you believe would then allow everyone to have the information available to assess the success of the SSA's new program to make sure that management and the workers are working well and efficiently for the people?

Mr. HUSE. Well, if they followed our recommendations, and had a tight definition of what partnership is, and then add a limited list of activities that actually fall under partnership; put that with an automated accounting system like OUTTS—

Mr. BECERRA. Did you provide any definitions of partnership that you thought would be appropriate?

Mr. HUSE. Again, for the very reasons, we thought that that would be crossing a boundary that the law doesn't give us.

Mr. BECERRA. So, you would like the SSA to come up with the definition and then you would like to evaluate whether or not it's a good enough definition?

Mr. HUSE. Absolutely. We wouldn't see our role as appropriate to do that, sir.

Mr. BECERRA. I understand. Thank you, Mr. Chairman, and thank you very much to the two of you for testifying.

Chairman BUNNING. Just to make sure that there's no misunderstanding about your conclusions, the definition of partnership and related activities was unclear.

The inventory as you spoke of partnership activity was questionable. In other words, that you couldn't get a hold of it, because there's too many things falling under the umbrella, and more defined.

SSA systems did not provide sufficient data to support a quantitative interpretation of the results or accomplishments from partnership. Even though the OUTTS system is in place, there wasn't enough data that you could get a handle on.

Mr. HUSE. That's correct, sir.

Chairman BUNNING. That's your conclusions?

Mr. HUSE. That's our report.

Mr. BECERRA. Mr. Chairman, if I could just add one——

Chairman BUNNING. No, we're going to close——

Mr. BECERRA. Just one real quick question on the point that you've made. I just want to make sure that—there are problems with the SSA complying with what the——

Chairman BUNNING. Both the SSA and the union, both.

Mr. BECERRA. But in terms of what you've just mentioned, any of the things that you've just mentioned—that the Chairman has just mentioned—do the employees have control over the methods that are implemented by the administration at SSA in determining what falls under partnership?

Mr. HUSE. No, the employees themselves do not. The partnership activities I assume would be the result of collective bargaining agreements.

Mr. BECERRA. And in terms of how the official time is defined and permitted to be used, that's through collective bargaining, and ultimately the actual implementation is done by management, over request by the employees?

Mr. HUSE. That's right, you're right.

Mr. BECERRA. So, if there's an accusation or a suspicion of abuse by an employee, it has to be reported, and it has to be investigated by management. And unless it's investigated, and perhaps there's a finding one way or the other, and an employee won't know, if in fact, he or she's making a request that's out of the bounds of the collective bargaining agreement?

Mr. HUSE. You're right.

Mr. BECERRA. Thank you.

Chairman BUNNING. Just so there's no misunderstanding about what is in the record, I would like to by unanimous consent put the IG's report in the record. Without objections we'll do that.

[The information follows:]

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

COUNCIL 220 UNION REPRESENTATIVE AND MANAGER OBSERVATIONS ON THE USE AND MANAGEMENT OF OFFICIAL TIME AT SSA

July 1998 A-02-97-72002

EVALUATION REPORT

Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

SOCIAL SECURITY
Office of the Inspector General

MEMORANDUM JUL 10 1998

Date:

Refer To:

To: Kenneth S. Apfel
Commissioner of Social Security

From: Acting Inspector General

Subject: Council 220 Union Representative and Manager Observations on the Use and Management of Official Time at the Social Security Administration

The attached final report presents the results of our survey of Social Security managers and Council 220 union representatives (A-02-97-72002). The objective of this survey was to obtain union representative and manager observations concerning the use and management of "official time" for union activities at the Social Security Administration.

If you choose to offer comments, please provide them within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Pamela J. Gardiner, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

EXECUTIVE SUMMARY

OBJECTIVE

The objective of this review was to obtain union representative's and manager's observations concerning the use and management of "official time" for union activities at the Social Security Administration (SSA).

BACKGROUND

Official time is time during which an employee otherwise would be performing Agency assigned work, but the employee is authorized by law, regulation, or negotiated agreement to spend time representing union and/or bargaining unit employees. The Agency pays the employee while they use official time as if they were conducting Agency business. For most union representatives (UR), who are in field offices (FO) and teleservice centers (TSC), official time falls into two categories – bank and non-bank time. Equivalent categories exist for other SSA components. Bank time is generally used for union-initiated activities. Every year, each union is allocated a set number of bank hours to conduct representational activities. Non-bank time is used for management initiated activities. There is no limit on non-bank time and union activities under "partnership" are counted as non-bank time.

In October 1996, the General Accounting Office (GAO) released a report on union activities at SSA (HEHS-97-3). It found that official time had increased over 60 percent between 1990 and 1995. The cost to SSA for official time in 1995 was $12.6 million. Additionally, GAO found that 1,800, or over 3 percent of SSA's 52,000 bargaining unit employees, working in the over 1300 FO's, 130 Offices of Hearings and Appeals, TSC's, Program Service Centers, Headquarters etc., were designated as URs who could use official time. Lastly, GAO reported that SSA's tracking system for official time underreported hours in 1995.

Based upon the GAO findings, the Chairman of the Subcommittee on Social Security, House Committee on Ways and Means requested SSA's Office of the Inspector General (OIG) to conduct an in-depth and comprehensive review of taxpayer financed union activities at SSA. This is one in a series of reports that the OIG plans to produce in response to that request. We performed a nationwide survey to collect UR's and manager's observations about the use and management of official time for union Council 220 of the American Federation of Government Employees (AFGE). Council 220 represents employees in SSA's FOs and TSCs.

For this review, we used two multi-purpose cluster samples representing a nationwide selection of 271 FOs and TSCs. The samples were obtained from SSA's Office of Workforce Analysis (OWA). We mailed the survey questionnaires in early June 1997 to the managers of the selected sites to complete and return to OIG. We also asked the managers to forward a separate UR questionnaire to the UR in their office to complete and return to OIG. On October 2, 1997, we executed a second mailing to provide for any misplaced or discarded questionnaires caused by Council 220's initial reluctance to participate in the survey.

RESULTS OF REVIEW

- URS DID NOT ALWAYS COMPLETE AN OFFICIAL TIME FORM (SSA-75) PRIOR TO USING OFFICIAL TIME
- OFFICIAL TIME REQUESTS WERE RARELY DENIED
- ALMOST HALF OF THE MANAGERS WERE NOT INFORMED IN WRITING ABOUT WHO REPRESENTS THE UNION IN THEIR OFFICE
- A MAJORITY OF THE MANAGERS AND URS DID NOT KNOW HOW MANY BANK HOURS WERE AVAILABLE, THUS CREATING A POTENTIAL FOR EXCEEDING BANK TIME.
- SOME MANAGERS SUSPECTED ABUSE OF OFFICIAL TIME
- MANAGERS WERE MORE LIKELY THAN URS TO REPORT THAT THE OFFICIAL TIME REPORTING SYSTEM WAS NEITHER ACCURATE NOR EFFECTIVE
- MANAGERS HAD NOT RECEIVED ADEQUATE GUIDANCE ON THE USE OF OFFICIAL TIME
- NOT SURPRISINGLY, URS SPENT MORE THAN TWICE AS MUCH OF THEIR TIME AS MANAGERS ON UNION ACTIVITIES

CONCLUSION

The responses to the questionnaires disclosed that managers and URs generally had differing observations concerning the official time system at SSA. Managers found the official time system less accurate and effective than URs. Managers also did not believe they received adequate guidance on the use of official time. Moreover, some managers suspected abuse of official time and the majority of both managers and URs did not know how many bank hours were available for each UR to use.

The responses by managers and URs revealed that there was a lack of understanding by some on how to properly report and use official time.

AGENCY COMMENTS

The full text of the Agency's comments are contained in Appendix D. SSA emphasized that the OIG Council 220 report is a collection of opinions and perceptions based on an unscientific sample. Nevertheless, the Agency saw value in the observations of URs and field office/teleservice managers. SSA noted that decisions by arbitrators and the Federal Labor Relations Authority (FLRA) established case law that sets forth the practices, procedures and limitations governing the use and management of official time. The Agency believed that the limitations established by case law undoubtedly had an effect on the perceptions of office managers.

Responding to specific findings, SSA believed that the report indicated that most managers who suspected abuse initiated action for resolution. Also, the Agency stated that the observations in the report displayed a clear awareness and a comparable level of understanding by both managers and URs about the need and circumstances for completion of the official time form. Finally, SSA stated that AFGE has not exceeded its total allocation of bank hours since the concept was created with the 1990 Agreement.

OIG RESPONSE

A scientific sample provided to the OIG by SSA's OWA was used for this survey. However, we realize that there was a low response rate (52 percent) from URs due to a lack of cooperation on their part. In comparison, 85 percent of the managers responded to our survey.

In making our recommendations, our intent is to ensure compliance with the official time reporting requirements of the current collective bargaining agreements. If SSA is unable to implement our recommendations within the confines of the current agreements and the parameters set by administrative case law, it should address them during negotiations for future collective bargaining agreements. If such negotiations prove unsuccessful, SSA may wish to seek a legislative resolution.

We believe that the perceptions provided by the URs and office managers highlight potential weaknesses with the use and reporting of official time. Twenty percent of the managers reported that they took no action when they suspected abuse of official time. Managers and the URs reported that official time forms were completed after official time use and that the duration of time needed for union activities was a consideration in whether or not to report official time. The lack of reporting small amounts of official time used and lack of knowledge of how many

bank hours were available creates an environment where individual URs could unknowingly exceed their allotted bank time.

The responses to the survey suggest that there are managers and URs who are uncertain about official time procedures and that the procedures are not adhered to in some SSA offices. In the comments to this report, SSA indicated that it is actively providing guidance on the use and management of official time to its managers. It may be appropriate to provide guidance to all individuals involved in the use of official time, including union representatives, to help ensure compliance with all of the policies and procedures contained in the *National Agreement between AFGE and Social Security Administration (Agreement).*

TABLE OF CONTENTS

Page

EXECUTIVE SUMMARY i

INTRODUCTION 1

RESULTS OF REVIEW 5

URS DID NOT ALWAYS COMPLETE AN OFFICIAL TIME FORM (SSA-75) PRIOR TO USING OFFICIAL TIME 5

OFFICIAL TIME REQUESTS WERE RARELY DENIED 7

ALMOST HALF OF THE MANAGERS WERE NOT INFORMED IN WRITING ABOUT WHO REPRESENTS THE UNION IN THEIR OFFICE 7

A MAJORITY OF THE MANAGERS AND URS DID NOT KNOW HOW MANY BANK HOURS WERE AVAILABLE, THUS CREATING A POTENTIAL FOR EXCEEDING BANK TIME 8

SOME MANAGERS SUSPECTED ABUSE OF OFFICIAL TIME 9

MANAGERS WERE MORE LIKELY THAN URS TO REPORT THE OFFICIAL TIME REPORTING SYSTEM WAS NEITHER ACCURATE NOR EFFECTIVE 9

- System Accuracy 9
- System Effectiveness 11

MANAGERS HAD NOT RECEIVED ADEQUATE GUIDANCE ON THE USE OF OFFICIAL TIME 12

NOT SURPRISINGLY, URS SPENT MORE THAN TWICE AS MUCH OF THEIR TIME AS MANAGERS ON UNION ACTIVITIES 12

CONCLUSION 14

APPENDICES

APPENDIX A - Union Representative's Survey Questionnaire

APPENDIX B - Manager's Survey Questionnaire

APPENDIX C - Official Time Form, Form SSA -75

APPENDIX D - Agency Comments

APPENDIX E - Major Report Contributors

APPENDIX F - SSA Organizational Chart

INTRODUCTION

OBJECTIVE

The objective of this review was to obtain union representative's and manager's observations concerning the use and management of "official time" for union activities at SSA.

BACKGROUND

Federal employees have had the right to join unions since the early 1900s. In 1912, the Lloyd-LaFollette Act gave postal employees the right to join unions and thereby set a precedent for all other Federal employees. In 1962, President Kennedy's Executive Order (EO) 10988 established a framework for Federal agencies to bargain with unions over working conditions and personnel practices. In 1969, President Nixon's EO 11491 created the Federal Labor Relations Council to proscribe regulations for resolving labor disputes and to arbitrate grievances. In 1978, the Civil Service Reform Act of 1978 (CSRA) provided the current statutory basis for labor/management (L/M) relations and created the FLRA. Most recently, in 1993, President Clinton's EO 12871 called for a labor/management "partnership" that would involve unions as full partners with management in identifying and resolving problems.

Official Time

In 1962, EO 10988 set the precedent for allowing Federal agencies to grant official time, which is paid time off at the agency's discretion from normal Government duties to conduct contract negotiations. In 1969, EO 11491 prohibited the use of official time to negotiate such agreements, but in 1978 the CSRA restored the use of official time for contract negotiations.

For most URs, which are in FOs and TSCs, official time falls into two categories – bank and non-bank time. Equivalent categories exist for other SSA components. Bank time is generally used for union-initiated activities. Every year each union council is allocated a set number of bank hours to conduct representational activities. Non-bank time is used for management-initiated activities. There is no limit on non-bank time. Union activities under "partnership" are counted as non-bank time. The CSRA prohibits the use of official time for internal union business, but continued the policy that agencies would provide unions with services and facilities at the agency's expense.

SSA's Unions

SSA employees are represented by three unions: the American Federation of Government Employees (AFGE), the National Treasury Employees Union (NTEU), and the National Federation of Federal Employees (NFFE). Of SSA's 65,000 employees, about 52,000 are non-supervisory and are represented by unions. Of those, 96 percent are represented by AFGE. Approximately 47 percent of all bargaining unit employees pay dues to their respective unions.

There is one contract between SSA and AFGE and six contracts with individual components of NTEU and NFFE. Multiple units within AFGE represent different SSA components. Council 220 represents bargaining unit employees in FOs and at TSCs. Local 1923, which is treated as a council, represents all Headquarters operations. Council 109, represents the workers at six program service centers (PSC); Council 215, represents field operations staff of the Office of Hearings and Appeals (OHA); Council 224 represents the Regional Office of Program Integrity and Reviews; and Council 221 represents the Data Operations Center. The NTEU and NFFE represent employees from various other offices within OHA. Additionally, there are about 100 FOs that are non-union offices. (i.e., there is no UR because none of the employees are union members.)

GAO Report on SSA Unions

In October 1996, GAO released a report on union activities at SSA (HEHS-97-3). The report stated that the use of official time at SSA had increased over 60 percent from 254,000 to 413,000 hours per year between 1990 and 1995. The cost to SSA for official time in 1995 was $12.6 million. Additionally, GAO reported that 1,800, or over 3 percent of SSA's 52,000 bargaining unit employees, working in the over 1300 FO's, 130 OHA's, TSC's, PSC's, Headquarters etc., were designated as URs who could use official time. Moreover, 145 of these employees were designated as full-time URs. The 145 full-time employees for 1995 represented an 80 percent increase over the 80 full-time URs in 1993. Lastly, GAO reported that SSA's tracking system for official time underreported hours in 1995.

OIG Reviews

In addition to our review of employee observations on the use of official time, OIG is conducting reviews of the use of official time for union activities at SSA, and "partnership" activities. The following additional reports will be issued concerning these reviews:

- Use of Official Time for Union Activities at the Social Security Administration (A-13-97-72013)

- Non-Council 220 Union Representative and Manager Observations on the Use and Management of Official Time at the Social Security Administration (A-02-98-02002)

- Partnership Activities at the Social Security Administration (A-13-98-72023)

SCOPE AND METHODOLOGY

For this review, we used two 10 percent multi-purpose cluster samples identifying a nationwide selection of FO and TSC sites, represented by union Council 220. We obtained a combined sample of 271 sites from SSA's OWA. In June 1997, we mailed the survey (Appendix B) to the managers of the selected sites for the first time. We asked the managers to complete and return the survey questionnaires and to forward a separate questionnaire (Appendix A) to the UR in their office. If there was more than one UR, we asked the senior UR to complete and return the survey.

When we first mailed the questionnaires in June 1997, Council 220 members were advised by union leaders not to complete the survey. After several meetings and correspondence with SSA and Union officials, then Acting Commissioner John J. Callahan instructed Agency officials to cooperate with our review. The union changed its position in late September when all Council 220 members were advised to cooperate and complete the survey, but to ignore four specific survey questions deemed to be of an improper nature (questions 2, 3, 5 and 31). In anticipation of misplaced or discarded questionnaires, we performed a second mailing in October 1997. Additionally, we made follow-up phone calls to non-respondents from June through November 1997.

The results of our review are based on the receipt of 231 manager questionnaires (an 85 percent response rate) and 125 UR questionnaires (a 52 percent response rate). Thirty-one offices could not participate due to the fact that the office was a non-union office, the office had no UR, or the UR was just recently elected and, therefore, could not provide experienced responses. Therefore, we reduced the 271 sites by 31 in computing the UR response rate. Two URs refused to complete the questionnaire. Considering these explanations, we accounted for 96 percent and 58 percent, respectively, of the manager and UR questionnaires sent.

The UR response rate was not as high as we had hoped. Even so, we believe that it is important to report the responses of those who chose to cooperate with our survey. It is not our intention to indicate that those responses reflect the perceptions or opinions of the entire population of URs.

Ninety-nine percent of the responding URs and 86 percent of the responding managers reported that they worked at the same site as each other. On average, the respondents to the manager questionnaires had been managers/supervisors for 14 years, and the respondents to the UR questionnaires had been URs for over 6 years. Although this was one of the four questions URs were advised not to answer, 70 percent chose to respond.

We designed the questionnaires so that both the managers and the URs were asked basically the same questions. We placed primary emphasis on the use of official time in their offices. One question concerning suspected abuse of official time was posed to only the managers. The percentages shown in the report are based on the number of respondents answering each question.

The information contained in this report is based on the perceptions of the managers and URs who completed and returned questionnaires. We did not collect supporting evidence to verify any information given in the responses since the objective of this review was simply to obtain their observations. Also, our corresponding report, "Use of Official Time for Union Activities at the Social Security Administration," provides documentation to support many of the observations cited in this report.

We conducted our review from April to December 1997. This evaluation was performed in accordance with the ***Quality Standards for Inspections*** issued by the President's Council on Integrity and Efficiency.

RESULTS OF REVIEW

The managers and URs responding to the survey generally had differing observations concerning the use and reporting of official time. Managers reported that the present system does not accurately capture the amount of time actually spent on official time. They noted that official time form requests were not always completed prior to using official time and that some managers suspected abuse of official time usage. The managers also believed they could not effectively supervise the use of official time since they do not monitor the URs' activity once official time is approved.

In contrast, URs reported they were satisfied with the official time reporting system. URs believed the time reporting system to be accurate and effective. They reported that official time requests were not always completed, and the URs cited the nature and duration of the union activity as contributing factors. However, both managers and URs agreed that official time requests were rarely denied.

URS DID NOT ALWAYS COMPLETE AN OFFICIAL TIME FORM (SSA-75) PRIOR TO USING OFFICIAL TIME

Article 30 of the *Agreement* sets forth the policy for the use of official time.[1] Specifically, section G states that "Unless otherwise arranged, union representatives for field offices will be required to request and arrange with appropriate management officials in advance for their usage of official time by using Form SSA-75." A majority of the managers and URs reported that Forms SSA-75 (Appendix C) were completed before using the official time. However, a number responded that Forms SSA-75 were completed after the use of official time. (See Table 1.)

Table 1
Timing of Form SSA-75 Completion

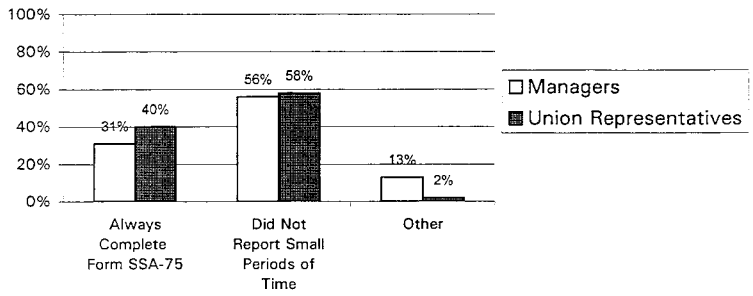
	Managers	Union Representatives
Before Using Official Time	55%	55%
After Using Official Time	15	18
About Equal	16	24
Other	10	3
Did Not Know	4	0

[1] See Article 30, Appendix F, section G of the *Agreement*.

Most of the managers and URs reported that Forms SSA-75 were not always completed for a union activity because small periods of time (e.g. 15 minutes or less) were not reported. (See Graph 1.)

Graph 1

Frequency of Form SSA-75 Completion



Typically, the time needed for the union activity was taken into consideration when deciding what to report as official time. A majority of managers and URs reported that the duration of the activity was either one factor in deciding to report official time or was the only factor for that decision. One-third of both the managers and URs stated that only the nature of the activity was the determining factor in reporting official time. (See Table 2.)

Table 2
Factors Determining When Official Time is Reported

	Managers	Union Representatives
Both the Nature and Duration of Activity	44%	49%
Nature of Activity	35	35
Duration of Activity	7	3
Other	12	13
Did Not Know	2	0

OFFICIAL TIME REQUESTS WERE RARELY DENIED

The majority of managers and URs reported that official time was rarely denied or never denied. Only 18 percent of the managers reported denying official time more than once a year. (See Table 3.) The most common reason furnished for an official time request denial was an exigency of business.

Table 3
Frequency of Denial for Official Time Requests

	Managers	Union Representatives
More Than Once a Week	2%	0%
About Once a Week	2	0
A Couple of Times a Month	2	12
A Couple of Times a Year	12	16
Rarely (Less Than Once a Year)	47	36
Only Once	8	8
Never	16	16
Other	11	12

ALMOST HALF OF THE MANAGERS WERE NOT INFORMED IN WRITING ABOUT WHO REPRESENTS THE UNION IN THEIR OFFICE

Article 30, section 2C, of the *Agreement* states, "The parties agree that for Appendix F, SSA will only grant official time to those officials designated in writing by the National Council."

Article 30, Appendix F, section E indicates the Local President is responsible for designating the local and assistant URs for each FO within their geographic boundaries. Slightly more than half of the managers and URs reported that agency managers were notified in writing about the designation of the UR for their office. A large percentage also reported the UR notified the manager, but not in writing. (See Table 4.)

Table 4
Manager Notification of the Union Representative

	Managers	Union Representatives
Manager Informed in Writing	51%	55%
UR Informed the Manager	42	50
Someone Other Than UR Informed the Manager	31	18
Other	9	12

(Managers and URs could give multiple answers to this question so the total responses are greater than 100 percent.)

A MAJORITY OF THE MANAGERS AND URS DID NOT KNOW HOW MANY BANK HOURS WERE AVAILABLE, THUS CREATING A POTENTIAL FOR EXCEEDING BANK TIME

Article 30, Appendix F, section F of the *Agreement* discusses the concept of "bank time" and the purposes for which it can be used. The amount of hours available for local representatives is addressed in subsection 3b which states,

> "With respect to bank time (Section F.1.), local representatives/assistant local representatives may, upon written authorization from the Council, use up to the following limits from their allocation: Offices with under 70 employees--up to 4 hours per week. Offices with 70 or more employees--up to 10 hours per week."

The majority of managers (58 percent) and URs (55 percent) reported they did not know how many bank hours the UR is allocated annually. Moreover, 56 percent of the managers and 43 percent of the URs did not know how bank hours were distributed. Consequently, managers were authorizing and URs were using bank time without knowing how many hours were available.

Even though a majority of managers did not know how many bank hours their URs were allotted, most did not question the allocation of official time between bank and non-bank categories. One quarter of the managers reported questioning the allocation of official time between bank and non-bank and their sub-categories. Thirteen percent of URs responded that the allocation of official time between categories had been questioned.

SOME MANAGERS SUSPECTED ABUSE OF OFFICIAL TIME

We asked the managers, but not the URs, about suspected abuse of official time. One quarter of the managers suspected abuse of official time. Section 3 of Article 30 addresses the issue of allegations of abuse of official time. It states,

> "Alleged abuses of official time shall be brought to the attention of an appropriate management official on a timely basis by supervisors and management officials. The management official will then discuss the matter with the local or council president as appropriate."

Over half of the managers who suspected abuse of official time either spoke with the UR who was suspected of abuse (15 percent) or discussed it with or reported it to superiors (41 percent). Twenty percent of managers reported they did nothing. The other 24 percent of managers reported various other responses, such as they did not know how to pursue suspected abuse or there was no way to substantiate the abuse. Some of the managers stated that they reported suspected abuse, but believed that no one was interested or they were subsequently told to approve the request. One manager said he took no action because, ". . . we were instructed not to do anything."

MANAGERS WERE MORE LIKELY THAN URS TO REPORT THAT THE OFFICIAL TIME REPORTING SYSTEM WAS NEITHER ACCURATE NOR EFFECTIVE

System Accuracy

The managers and URs had differing opinions on the accuracy of the system for reporting official time. A higher percentage of managers than URs reported the system as inaccurate. Conversely most of the URs reported the system to be somewhat or very accurate. (See Table 5.)

Table 5
Accuracy of the System for Reporting Official Time

	Managers	Union Representatives
Very Inaccurate	26%	15%
Somewhat Inaccurate	21	8
Somewhat Accurate	33	27
Very Accurate	14	45
Other	3	4
Did Not Know	3	1

When asked to elaborate on their responses, 96 managers (out of 187 who responded to this question) and 17 URs (out of 89) had disapproving comments on

the accuracy of the system. Some managers said the reporting system is honor based and since managers did not know any specifics of what the requested/reported time is being spent on, they could not know with any certainty if the reported time is correct. Similarly, they also said the union determines whether time is reported as "bank" or "non-bank" and that managers are discouraged from questioning the determination.

Some managers reported particular concerns over phone calls. When a UR is on the phone, the managers do not know whether the UR is engaged in union or Agency business. Other managers said they did not fully understand what should be reported and believe that management and union officials do not interpret reporting instructions the same way. Some URs said that non-bank time is not reported regularly and reporting accuracy is suspect because time of less then 15 minutes is not reported.

Many of the URs (52 out of 89) had favorable comments on the accuracy of the system. When asked to qualify why they found the system accurate, some of the URs said the SSA-75 is well designed to capture the various categories of official time. The majority stated it was accurate since they track and report all official time. One UR stated, "I know how important official time is and would never want to be accused of abusing it."

Fifty-eight (out of 187) of the managers commented favorably on the system's accuracy covering two general categories. Managers of small offices were aware of what the URs were doing and/or the UR was conscientious and forthcoming, which established a good working relationship between the two.

Even though many of the managers found the reporting system to be inaccurate, they did not have solutions to change it. When asked what changes they would make in the system for reporting official time, 60 percent of managers responded that they would make no changes and 8 percent did not know. Five percent of managers thought there should be clearer guidelines on requesting and using official time and another 5 percent said reasons for the time requested should be shown on the SSA-75. Five percent suggested some type of automated system.

Seventeen percent of managers provided various other suggestions. Two managers suggested the need for training. One manager thought the entire system needed to be overhauled. Another recommended that union-related telephone calls should go through management so the individual could be released from SSA duty. Other managers thought there should be a consolidation of tracking time rather than bank time and non-bank time. Others did not care for the design of the Form SSA-75, which one manager said does not provide for many union activities such as "partnership." Another did not care for the category of midterm bargaining on the form, where it was suggested a significant amount of time is charged without any clear definition of what the category represents.

System Effectiveness

Managers and URs also disagreed on the effectiveness of the system for supervising official time. Fifty-six percent of managers reported the system of supervision to be somewhat or very ineffective. Conversely, the majority of URs responded that the system was very effective. (See Table 6.)

Table 6
Effectiveness of the System for Supervising Official Time

	Managers	Union Representatives
Very Ineffective	31%	8%
Somewhat Ineffective	25	2
Somewhat Effective	25	24
Very Effective	11	60
Other	4	6
Did Not Know	4	0

Many managers (103 out of 173 who responded to the question) and a few URs (7 out of 76) had disapproving comments when asked why they perceived the effectiveness of the system as they did. Generally, the managers did not think the information provided on a completed SSA-75 was sufficient to effectively supervise the official time requested/reported. Some managers said there are no controls and they have no authority or means to monitor the use of official time. Others stated that the system relies on the integrity of the employee with no penalties for misuse. One manager said that his UR is the only employee he supervises who can determine his own hours of work.

Favorable responses were furnished by 58 URs (out of 76) and 39 managers (out of 173) when asked to elaborate on their responses concerning the effectiveness of the system for supervising official time. URs reported that the system seems to be running effectively. They cited a trusting relationship as promoting effectiveness and that they reported all use of official time. Most of the approving responses from managers and some from URs were from offices that are small or use very little official time. Also, good relationships with URs elicited favorable comments from the managers.

We also asked the participants of the survey what changes they would make to the system for supervising official time to make it more effective. Five percent of managers said there should be an emphasis on accountability and 6 percent thought there should be more detail on the Form SSA-75. Five percent said they need real authority and would like justification and/or documentation supporting the need for or use of official time. Twenty-one percent of the managers provided numerous other responses. These managers did not think the guidelines were clear

and indicated training may help. Others suggested all union time should be captured whether official time or not. Two managers suggested that the URs should relocate from their work station when on official time so that time spent on union activities would become more apparent. One said that managers do not supervise official time; they only sign the official time request.

Fifty-eight percent of managers said they would make no changes for supervising official time even though they reported unfavorably on the system. Eighty-six percent of URs responded similarly. Five percent of the managers and 9 percent of URs reported they did not know what changes to make. Five percent of URs reported other responses e.g., to have an automated system similar to the time and attendance system.

MANAGERS HAD NOT RECEIVED ADEQUATE GUIDANCE ON THE USE OF OFFICIAL TIME

Over half the managers reported they had not received any training on the use of official time. Forty-eight percent said they had training, but of these, many reported having received the training a long time ago. Most of the managers who were trained, however, reported the training to be accurate (88 percent), timely (76 percent), and helpful (83 percent). A few managers did report the training was deficient in quality and quantity.

The lack of adequate guidance may explain why managers and URs disagree on who can use official time. Most managers (87 percent) and URs (84 percent) reported that someone who is not a UR could not successfully submit a Form SSA-75. Managers and URs who believed otherwise said a request for official time could be submitted: for an employee preparing for a grievance; for an employee designated by a UR; or, if notification is given by the union that an individual has been given bank time. One manager said he believed a higher level union official in the region can assign official time to any bargaining unit employee.

Almost all of the managers (95 percent) reported they had an office they can turn to for assistance on the use of official time for union-related activities. Most of the managers have found the office to be useful. Ninety-four percent found it accurate, 91 percent found it timely, and 90 percent found it helpful.

NOT SURPRISINGLY, URS SPENT MORE THAN TWICE AS MUCH OF THEIR TIME AS MANAGERS ON UNION ACTIVITIES

On average, managers reported spending 6.3 percent of their time on union activities. URs reported spending considerably more time. They averaged almost 15 percent of their time on union activities. Table 7 on the next page provides the various levels of time spent on union activity for both managers and URs.

Table 7
Time Spent on Union Activity

	Managers	Union Representatives
1 percent	30%	33%
2 percent	15	11
3 percent	2	6
4 percent	0	3
5 percent	29	10
6-10 percent	14	12
11-20 percent	6	6
21-99 percent	4	15
100 percent	0	4

Managers and URs reported that the time spent on union activities was spent doing a few different tasks. The majority of both managers and URs reported consultation with each other on operations as the most common union activity. In fact, 39 percent of the managers and 43 percent of the URs reported frequent involvement (defined as almost daily) in the manager's decision making process. A large percentage of the managers (45 percent) and URs (40 percent) reported the involvement as 1 or 2 times per month. The remaining managers (16 percent) and URs (17 percent) reported rare or no involvement.

The second most cited union activity was time spent on grievances or potential grievances. Other union activities reported were completion of Forms SSA-75 and YY 404 reports by managers and union administrative matters reported by URs. The YY 404 report is an automated system for reporting and collecting official time requested on Form SSA-75.

CONCLUSION

The responses to the questionnaires disclosed that managers and URs generally had differing observations concerning the official time system at SSA. Managers found the official time system less accurate and effective than did URs. The managers believed that they had not received adequate guidance on the use of official time. Some managers reported a suspicion of abuse by some URs in their use of official time. The majority of both managers and URs did not know how many bank hours were available for each UR to use. The responses by managers and URs revealed that there was a lack of understanding by some on how to properly report and use official time.

AGENCY COMMENTS

The full text of the Agency's comments are contained in Appendix D. SSA emphasized that the OIG Council 220 report is a collection of opinions and perceptions based on an unscientific sample. Nevertheless, the Agency saw value in the observations of URs and field office/teleservice managers. SSA noted that decisions by arbitrators and the FLRA established case law that sets forth the practices, procedures and limitations governing the use and management of official time. The Agency believed that the limitations established by case law undoubtedly had an effect on the perceptions of office managers.

Responding to specific findings, SSA believed that the report indicated that most managers who suspected abuse initiated action for resolution. Also, the Agency stated that the observations in the report displayed a clear awareness and a comparable level of understanding by both managers and URs about the need and circumstances for completion of the official time form. Finally, SSA stated that AFGE has not exceeded its total allocation of bank hours since the concept was created with the 1990 Agreement.

OIG RESPONSE

A scientific sample provided to the OIG by SSA's OWA was used for this survey. However, we realize that there was a low response rate (52 percent) from URs due to a lack of cooperation on their part. In comparison, 85 percent of the managers responded to our survey.

In making our recommendations, our intent is to ensure compliance with the official time reporting requirements of the current collective bargaining agreements. If SSA

is unable to implement our recommendations within the confines of the current agreements and the parameters set by administrative case law, it should address them during negotiations for future collective bargaining agreements. If such negotiations prove unsuccessful, SSA may wish to seek a legislative resolution.

We believe that the perceptions provided by the URs and office managers highlight potential weaknesses with the use and reporting of official time. Twenty percent of the managers reported that they took no action when they suspected abuse of official time. Managers and the URs reported that official time forms were completed after official time use and that the duration of time needed for union activities was a consideration in whether or not to report official time. The lack of reporting small amounts of official time used and lack of knowledge of how many bank hours were available creates an environment where individual URs could unknowingly exceed their allotted bank time.

The responses to the survey suggest that there are managers and URs who are uncertain about official time procedures and that the procedures are not adhered to in some SSA offices. In the comments to this report, SSA indicated that it is actively providing guidance on the use and management of official time to its managers. It may be appropriate to provide guidance to all individuals involved in the use of official time, including URs, to ensure compliance with all of the policies and procedures contained in the *Agreement*.

APPENDICES

APPENDIX A

UNION REPRESENTATIVE QUESTIONNAIRE

OFFICE OF THE INSPECTOR GENERAL

UNION ACTIVITIES AT THE
SOCIAL SECURITY ADMINISTRATION
CIN-02-97-72002

Union Representative Questionnaire

INSTRUCTIONS

You are one of over 500 union representatives at SSA randomly selected to participate in our survey. This questionnaire asks questions about the use of official time for union activities. Your supervisor was also selected for the survey.

Please answer the questions on the following pages. It should take about 10 minutes to finish this questionnaire. Most questions have directions printed in **CAPITAL DARK LETTERS**. Please be sure to read and follow these directions. The answers you give should be based on **your own** practices and opinions, and should refer to **your** experience within Social Security.

If you have any questions about this survey, please call Tim Nee at 212-264-5295 or toll-free at 1-800-772-8246. He will be happy to help you.

Please return the completed questionnaire in the postage-paid envelope. The envelope has the appropriate address on it. If you misplace the postage-paid envelope, please mail the questionnaire in an envelope addressed to:

SSA/OIG/OA
Room 39-118
26 Federal Plaza
New York, NY 10278

Attention: Tim Nee

PLEASE FILL IN THE FOLLOWING INFORMATION:

NAME_____ DATE___/___/___

PHONE NUMBER_____

OFFICE_____

OFFICE CODE_____

SSA Component: **(CIRCLE ONE)**
FO TSC

1. What is your job title?_____

2. How long have you been a union representative?

_____years

3a. Do you hold any executive officer position in your union?

____no

____yes; 3b. What is your title:_____

4. About what percent of your time is spent on union activities per year?

_____percent

5. What are typical union activities for you and what portion of your official time do you spend on each?

(√ AS MANY AS APPLY)

Typical Activities (must equal 100%)	**Percent of Official Time**
a.☐ consulting with management on operations	_____
b.☐ grievances/potential grievances	_____
c.☐ union administrative matters	_____
d.☐ other; specify_____	_____
e.☐ other; specify_____	_____
TOTAL	**100%**

6. How often do you complete the form (SSA-75) to report/request your use of official time?

(√ ONLY ONE)

☐ each union activity

☐ each day

☐ each pay period

☐ other; specify_____

7. Do you **usually** complete this form before or after you use official time?

(√ ONLY ONE)

☐ before

☐ after

☐ about equal

8. How do you determine when official time must be reported?

(√ ONLY ONE)

☐ nature of activity

☐ duration of activity

☐ both the nature and duration of activity

☐ other; specify_____

9. Do you always complete the form to report/request the use of official time or skip it for small periods of time (e.g. less than 15 minutes)? **(√ ONLY ONE)**

☐ always

☐ skip small periods of time

10. What do you do with the completed form reporting/requesting your use of official time?

(√ AS MANY AS APPLY)

a.☐ keep copy

b.☐ send copy to the union

c.☐ give copy to my office manager

d.☐ other; specify_____

11. When does your supervisor/manager usually return the official time form to you?

(√ **ONLY ONE**)

☐ within one day

☐ within one week

☐ within one pay period

☐ with the YY report

☐ other; specify_____

12. How does your manager know that you are a union representative?

(√ **AS MANY AS APPLY**)

a.☐ I told him/her

b.☐ someone else told him/her; Who?**(TITLE)**_____

c.☐ he/she was notified in writing; By whom?**(TITLE)**_____

d.☐ other; specify_____

e.☐ don't know

13a. Could someone who is not a union representative successfully submit a form reporting/requesting the use of official time?

☐ no

☐ yes; 13b. How could this happen?

14. Do you know how bank hours are allocated?

☐ no

☐ yes

15a. Do you know how many bank hours you get per year?

☐ no

☐ yes; 15b. Do you know how many you have left for this year?

☐ no

☐ yes

16. Who determines if official time is appropriately allocated between bank and non-bank and their sub-categories?

☐ manager/supervisor

☐ union representative

17a. Has your supervisor ever questioned the allocation of official time between bank and non-bank and their sub-categories ?

☐ no

☐ yes, 17b. What happened?

18a. Have you ever had a request for official time denied?

☐ no

☐ yes; 18b. Why?

18.c. How often does this happen?

(√ **ONLY ONE**)

☐ more than once a week

☐ about once a week

☐ a couple of times a month

☐ a couple of times a year

☐ rarely (less than once a year)

☐ other; specify_____

19a. Do you sign in and out each day?

☐ no; 19b. Why not?

☐ yes

20a. Is this similar to the procedures used by your coworkers?

☐ no; 20b. Why not?

☐ yes

21. What do you usually do about signing in and out if you are off-site?

(√ **AS MANY AS APPLY**)

a.☐ I call in to my manager

b.☐ I call in to my manager or any supervisor

c.☐ I call in to anyone

d.☐ I give my manager advance notice

e.☐ other; specify_____

22. How often are you off-site?

(√ **ONLY ONE**)

☐ more than once a week

☐ about once a week

☐ a couple of times a month

☐ rarely (less than once a month)

☐ other; specify_____

23. Do you work at the same site as your manager?

☐ no

☐ yes

24. Would you say your supervisor's policy on **reporting** official time is formal or informal?

(√ **ONLY ONE**)

☐ very formal

☐ somewhat formal

☐ somewhat informal

☐ very informal

25a. How accurate is the system for **reporting** the use of official time?

(√ **ONLY ONE**)

☐ very inaccurate

☐ somewhat inaccurate

☐ somewhat accurate

☐ very accurate

25b. Why do you say that?

26a. How effective is the system for **supervising** the use of official time?

(√ **ONLY ONE)**

☐ very ineffective

☐ somewhat ineffective

☐ somewhat effective

☐ very effective

26b. Why do you say that?

27. What changes would you make in the systems for:

a. allocating bank hours? ☐ none

b. reporting official time? ☐ none

c. supervising official time? ☐ none

28a. Do you ever see copies of the YY reports?

☐ no

☐ yes; 28b. How do you use these reports?

29. What administrative support does SSA provide you with for union activities and how much does it cost annually?

(WRITE "0" FOR NONE & USE "DK" IF YOU DON'T KNOW)

a.☐ Travel-- $_____

b.☐ Space-- $_____

c.☐ Phones-- $_____

d.☐ Supplies-- $_____

30a. Have you ever had an administrative support cost denied?

☐ no

☐ yes; 30b. What happened?

31. What administrative support does the union pay for and how much does it cost?

32. Are you personally involved in any partnership councils at SSA?

☐ no **(IF NO, SKIP TO QUESTION 34)**

☐ yes

33a. Has partnership increased your use of official time?

☐ no

☐ yes; 33b. Will it continue to rise?

☐ no

☐ yes

34. How often does your manager involve you in his/her decision making process?

(√ ONLY ONE)

☐ frequently (almost daily)

☐ sometimes (1 or 2 times a month)

☐ rarely (1 or 2 times a year)

☐ never

35. Is there anything else you would like to share with us about reporting and supervising official time at SSA?

APPENDIX B

MANAGER QUESTIONNAIRE

OFFICE OF THE INSPECTOR GENERAL

UNION ACTIVITIES AT THE
SOCIAL SECURITY ADMINISTRATION
CIN-02-97-72002

Manager Questionnaire

INSTRUCTIONS

You are one of over 500 employees at SSA selected to participate in our survey. This questionnaire asks questions about the use of official time for union activities.

Please answer the questions on the following pages. It should take about 10 minutes to finish this questionnaire. Most questions have directions printed in **CAPITAL DARK LETTERS**. Please be sure to read and follow these directions. The answers you give should be based on **your own** practices and opinions, and should refer to **your** experience within Social Security.

If you have any questions about this survey, please call John Molnar at 212-264-5295 or toll-free at 1-800-772-8246. He will be happy to help you.

Please return the completed questionnaire in the postage-paid envelope. The envelope has the appropriate address on it. If you misplace the postage-paid envelope, please mail the questionnaire in an envelope addressed to:

SSA/OIG/OA
Room 39-118
26 Federal Plaza
New York, NY 10278

Attention: John Molnar

PLEASE FILL IN THE FOLLOWING INFORMATION:

NAME_____ DATE___/___/___

PHONE NUMBER_____

OFFICE NAME_____

OFFICE CODE_____

SSA Component: (circle one)
FO TSC

1. How long have you been a manager/supervisor?

_____years

2. What are the primary **administrative** concerns you address each day as a manager/supervisor?

3. About what percent of your time is spent on union activities?

___percent

4. What are typical union activities for you and what percent of your union time do you spend on each?

(√ AS MANY AS APPLY)

Typical Activities (must equal 100%)	**Percent of Union Time**
a.☐ consulting with union on operations	_____
b.☐ grievances and potential grievances	_____
c.☐ completing 75s and YY 404 report	_____
d.☐ other; specify_____	_____
e.☐ other; specify_____	_____
TOTAL	**100%**

5a. Could you document the amount of time you spent on union activities?

___no

___yes; 5b. What type of documentation do you have?

6. How could management time related to union activities be tracked?

7. What are typical union activities for your union representative and what proportion of their official time do they spend on each?

(√ **AS MANY AS APPLY)**

Typical Activities (must equal 100 %)	**Percent of Official Time**
a.☐ consulting with management on operations	____
b.☐ grievances/potential grievances	____
c.☐ union administrative matters	____
d.☐ other; specify_____	____
e.☐ other; specify_____	____
TOTAL	**100%**

8. How often does your union representative complete the form (SSA-75) to request/report the use of official time?

(√ **ONLY ONE)**

☐ each activity

☐ each day

☐ each pay period

☐ other; specify_____

9. Does your union representative **usually** complete this form before or after they use official time?

(√ **ONLY ONE)**

☐ before

☐ after

☐ about equal

10. What factor primarily determines when official time must be reported?

(√ **ONLY ONE**)

☐ nature of activity

☐ duration of activity

☐ both the nature and duration of activity

☐ other; specify_____

11. Does your union representative always complete the form to request/report the use of official time or skip it for small periods of time (e.g. 15 minutes)?

(√ **ONLY ONE**)

☐ always

☐ skip small periods of time

12. What do you do with the completed form requesting/reporting the use of official time?

(√ **AS MANY AS APPLY**)

a.☐ keep copy

b.☐ send copy to my supervisor

c.☐ send copy to my L/MR office

d.☐ give copy to union representative

e.☐ other; specify_____

13. How long do you keep your copy of the form?

14. When do you usually return the approved official time form to your union representative?

(√ **ONLY ONE**)

☐ within one day

☐ within one week

☐ within one pay period

☐ with the YY report

☐ other; specify_____

15. How do you know that your union representative is a union representative?

(√ **AS MANY AS APPLY**)

a.☐ he/she told me

b.☐ someone else told me; Who?(**TITLE**)_____

c.☐ I was notified in writing; By whom?(**TITLE**)_____

d.☐ other; specify_____

16a. Could someone who is not a union representative successfully submit a form requesting/reporting the use of official time?

☐ no

☐ yes; 16b. How could this happen?

17. Do you know how bank hours are distributed?

☐ no

☐ yes

18a. Do you know how many bank hours your union representative gets per year?

☐ no

☐ yes; 18b. Do you know how many they have left for this year?

☐ no

☐ yes

19. Who determines if official time is appropriately allocated between bank and non-bank and their sub-categories?

☐ manager/supervisor

☐ union representative

20a. Have you ever questioned the allocation of official time between bank and non-bank and their sub-categories?

☐ no

☐ yes; 20b. What happened?

21a. Have you ever denied a request for official time?

☐ no

☐ yes; 21b. Why?

21c. How often does this happen?

(√ ONLY ONE)

☐ more than once a week

☐ about once a week

☐ a couple of times a month

☐ a couple of times a year

☐ rarely (less than once a year)

☐ other; specify_____

22. Does your union representative sign in and out each day?

☐ no

☐ yes

23a. Is this similar to the procedures used by your other staff?

☐ no; 23b. Why not?

☐ yes

24. With regard to signing in and out, what does your union representative **usually** do if he/she is off-site?

(√ **AS MANY AS APPLY)**

a.☐ they call in to me

b.☐ they call in to me or any supervisor

c.☐ they call in to anyone

d.☐ they give me advance notice

e.☐ other; specify_____

25. How often are they off-site?

(√ **ONLY ONE)**

☐ more than once a week

☐ about once a week

☐ a couple of times a month

☐ rarely (less than once a month)

☐ other; specify_____

26. Do you work at the same site as your union representative?

☐ no

☐ yes

27. Would you say your supervisor's policy on **reporting** the use of official time is formal or informal?

(√ **ONLY ONE**)

☐ very formal

☐ somewhat formal

☐ somewhat informal

☐ very informal

28a. Have you ever suspected abuse of official time?

☐ no; 28b. What would you do if you did?

☐ yes; 28c. What did you do?

29a. How accurate is the system for **reporting** the use of official time?

(√ **ONLY ONE**)

☐ very inaccurate

☐ somewhat inaccurate

☐ somewhat accurate

☐ very accurate

29b. Why do you say that?

30a. How effective is the system for **supervising** the use of official time?

(√ ONLY ONE)

☐ very ineffective

☐ somewhat ineffective

☐ somewhat effective

☐ very effective

30b. Why do you say that?

31. What changes would you make in the systems for:

a. allocating bank hours? ☐ none

b. reporting official time? ☐ none

c. supervising official time? ☐ none

32a. Do you ever see copies of the YY reports?

☐ no

☐ yes; 32b. How do you use these reports?

33. What administrative support does SSA provide your union representative for union activities and how much does it cost annually?

(√ AS MANY AS APPLY)

(WRITE "0" FOR NONE, OR "DK" IF YOU DON'T KNOW)

a.☐ Travel -- $_____

b.☐ Space -- $_____

c.☐ Phones -- $_____

d.☐ Supplies -- $_____

34a. Have you ever denied any administrative support to your union representative?

☐ no

☐ yes; 34b. What happened?

35. What administrative support does the union provide your union representative?

36a. Are you or your union representative personally involved in any partnership councils?

☐ no **(IF NO, SKIP TO QUESTION 37)**
☐ yes

36b. Has partnership increased the use of official time?

☐ no

☐ yes; 36c. Will it continue to?

☐ no
☐ yes

37. How often do you involve your union representative in your decision making process?

(√ **ONLY ONE**)

☐ frequently (almost daily)

☐ sometimes (1 or 2 times a month)

☐ rarely (1 or 2 times a year)

☐ never

38a. Have you received any training on the use of official time for union-related activities?

☐ no

☐ yes; 38b. Was the training generally:

b. accurate? ☐ no ☐ yes

c. timely? ☐ no ☐ yes

d. helpful? ☐ no ☐ yes

39a. Do you have an office you can turn to for assistance on the use of official time for union related activities?

☐ no

☐ yes; 39b. Is their assistance generally:

b. accurate? ☐ no ☐ yes

c. timely? ☐ no ☐ yes

d. helpful? ☐ no ☐ yes

40a. Is official time authorized for any other activities, such as management organizations or other non-union activities?

☐ no

☐ yes; 40b. Which ones?

40c. About how many hours are used per month for each?

41. Is there anything else you would like to share with us about reporting and supervising official time at SSA?

APPENDIX C

OFFICIAL TIME FORM

APPENDIX C

OFFICIAL TIME FORM

NAME			OFFICE			DO CODE	
						REGION	
DATE(S)	FROM:	TO:	TIME	FROM:	TO:	COUNCIL	
						LOCAL	
LOCATION TO WHICH GOING:						TIME USED	
BANK TIME:				HOURS	MINUTES		
	Local		BA				
	Regional		BC				
	National		BD			HOURS	MINUTES
	Total Bank Time Used: BE						
NON-BANK TIME:							
Mid-Term Consultation/Bargaining			: AB				
Term Bargaining			: AC				
FLRA and MSPB Proceedings			: AD				
EEO Formal Complaints			: AE				
Management-Filed Grievances			: AF				
Travel Time			: CA				
	Total Bank and Non-Bank Time Used: CB						
UNION OFFICIAL'S SIGNATURE						DATE	

REASON (To be completed by the supervisor if not granting time)

SUPERVISOR'S SIGNATURE	DATE

TO BE COMPLETED BY THE UNION ON THE UNION COPY

NAME OF PERSON CONTACTED (or on whose behalf)

SUBJECT	INITIAL 75
	AMENDED 75

Original and First Copy: Union

AGENCY COMMENTS

SOCIAL SECURITY

MEMORANDUM

Date: June 12, 1998

Refer To: S1J-3

To: David C. Williams
Inspector General

From: Kenneth S. Apfel
Commissioner of Social Security

Subject: Office of the Inspector General Draft Report, "Evaluation of Council 220 Union Representative and Manager Observations on the Use and Management of Official Time at the Social Security Administration" (A-02-97-72002)--INFORMATION

Attached are our comments to the draft report. Staff questions may be referred to Barbara Doering on extension 52290.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "EVALUATION OF COUNCIL 220 UNION REPRESENTATIVE AND MANAGER OBSERVATIONS ON THE USE AND MANAGEMENT OF OFFICIAL TIME AT THE SOCIAL SECURITY ADMINISTRATION" A-02-97-72002

We appreciate the opportunity to review and comment on the results of your survey that sought to capture the observations of managers and union representatives (UR) on the use and management of official time in Social Security Administration (SSA) field offices and teleservice centers.

SSA, like other Federal agencies and many private firms, pays for approved time spent by its employees on official time. Official time is not unique to the Federal government and has been a practice in private industry dating back to World War II. As noted in your report, the history of collective bargaining in the Federal government is now more than three decades old. In 1962, President Kennedy issued an executive order that established a framework for Federal agencies to bargain with unions over working conditions and personnel practices. The same Executive Order established a precedent for granting official time. In 1978, enactment of the Federal Service Labor-Management Relations Statute established official time as an integral part of Federal labor-management relations and the Federal sector collective bargaining process.

Subsequent decisions by arbitrators and the Federal Labor Relations Authority (FLRA) established case law that sets forth the practices and procedures governing use of official time. That case law established the parameters delineating how, when and for what purposes official time may be used and placed limitations on the Agency's ability to question its use. These limitations undoubtedly have an effect on perceptions and responses expressed by the Agency's managers who are responsible for managing their office staff and the critical claimant workloads.

We believe it is important to emphasize that the OIG's Council 220 report is a collection of "observations" and is not an audit report. It represents an unscientific sample of opinions and perceptions, and interpretations of survey data. As OIG notes in the report, no supporting evidence was collected to verify any information given in the responses.

As such, this survey can be of only limited value in actually assessing the effectiveness of official time management in SSA. Nevertheless, the perceptions and opinions on union official time are of value. For instance, our interpretation of the survey results is quite different from the OIG's. We see some very encouraging indications that union official time is working well in the Agency. As an Agency, we need to use these observations to help continue to foster and strengthen management-union relationships through effective communication, common understanding and trust--characteristics which form the basis of effective management-union relationships.

These characteristics are apparent in the responses from managers and URs who work in small offices. Their responses indicate that small offices foster trusting relationships, which favorably affect the perceptions of managers and URs. The report notes that

managers in small offices were aware of the UR's activities and/or believed the UR to be conscientious and upfront. URs cited a trusting relationship as promoting system's effectiveness, and good relationships with URs elicited favorable responses from managers. Since nearly 60 percent of SSA's field offices are small offices (27 employees or less), the survey responses are very encouraging. They show a broad foundation from which to continue our efforts to foster a trusting organizational environment and strengthen management-labor relationships.

Providing guidance and support to managers is essential to their understanding and effective management of official time. We are pleased that the survey responses show overwhelmingly that managers know that there is an office that they can consult, and that nearly all of the managers described the assistance they had received as accurate, timely and helpful.

The information presented in this report shows that the commonalties of understanding and the communications necessary for effective management-labor relationships exist in the Council 220 offices. The responses of managers and URs show agreement and understanding about the practices governing completion of official time forms and the factors determining reporting of official time. Established communications are illustrated in responses to several of the survey questions, including manager notification of the UR and time spent on union activity. Most notably, a majority of managers and URs reported consultation with each other on operations as the most common union activity. These responses show that there is a constructive foundation from which we can build and strengthen the common understanding and communications that are essential for effective management-labor relationships.

We offer the following comments on the observations included in the report.

Suspected Abuse of Official Time

Office managers sometimes have concerns about what constitutes legitimate use of official time, and some of them, therefore, suspect abuse of official time. SSA has worked to ensure appropriate use of official time by periodically providing reminders and guidance to managers on these issues. The guidance has been influenced by case law developed from arbitration and FLRA decisions. Since 1982, these decisions have restricted management discretion in approving or denying official time requests, as well as management's authority to elicit detailed information about the nature of those requests.

The National Agreement between the American Federation of Government Employees and the Social Security Administration provides a procedure for dealing with allegations of abuse. The OIG's report indicates that most managers who suspected abuse initiated action for resolution.

Use of Official Time Form

OIG reported that URs did not always complete an Official Time Form (SSA-75) prior to the use of official time. While the Agreement (Article 30, Appendix F, Section G) requires URs to request and arrange in advance for their use of official time through the use of this form, it also allows the parties to make other arrangements for requesting official time when the UR is unable to do so in advance.

The OIG report states that a majority of managers and URs responded that official time is either requested in advance or recorded on the form "either before or after" it is taken. It also indicates that the vast majority of managers and URs show agreement in acknowledging that the nature and duration of the activity are contributing factors in determining if the form could be completed before or after the activity took place. The observations suggest a very clear awareness and a comparable level of understanding by both managers and URs about the need and circumstances for completion of the official time form.

Identification of Union Representatives

OIG cited language from the Agreement (Article 30, Section 2C), which it interprets to require that each office manager be notified in writing of the identity of URs in his or her office. In fact, there is no such requirement. Managers may be notified by other means, and the notice may be made at the local, regional or national level. However, the surveys also indicate that most managers clearly do know who the URs are in their offices. Both the managers and URs' responses indicate redundancies in notification in that multiple means are used to communicate the information. There is no indication that any managers were unaware of the designated UR for their office.

Use of Bank Hours

OIG reports that a majority of the managers and URs surveyed did not know how many bank hours were available, creating the potential for those hours to be exceeded. In fact, AFGE has not exceeded its total allocation of bank hours since the concept was created with the 1990 National Agreement. The use of bank time is limited, and SSA notifies managers who have URs to whom bank time is allocated. The implementation of SSA's Official Union Time Tracking System (OUTTS) in February of this year will increase the Agency's ability to monitor reporting of official time and will make it even more unlikely that bank time would be exceeded.

System Accuracy and Effectiveness

OIG reports that the survey results indicate that managers were more likely than URs to report that the official time reporting system was neither accurate nor effective. It is important to note that in elaborating on their answers, managers cited a lack of knowledge of how the time was being spent and being unable to question how the time

was being spent. As noted earlier, case law has established limitations on the Agency's ability to question use of official time. These limitations, rather than the system itself, may affect managers' perceptions about the accuracy and effectiveness of the system.

As the OIG report states, "managers of smaller offices were aware of what the URs were doing and/or the UR was conscientious and up-front, which established a good working relationship between the two." Clearly, good relationships with URs elicited favorable comments from the managers. The communications and awareness shown in these responses are indicative of the positive foundation and good working relationships that are the basis of positive labor-management relations.

The perceptions about the effectiveness of the official time reporting system are nonetheless a concern. We believe that the recent implementation of OUTTS and ongoing communication with managers should have a positive impact in changing these perceptions. The Office of Labor-Management and Employee Relations (OLMER) will conduct regularly scheduled, national conference calls on official time. These calls will respond to questions, issues and concerns Agency-wide and identify established "best practices" that could benefit the entire Agency. Common, day-to-day official time issues, in addition to the Agency's official time policies and procedures, will be discussed during conference calls.

Guidance on the Use of Official Time

The survey results reveal that managers feel they have not received adequate training on official time. Although we believe the perception to be inaccurate, the concern still needs to be addressed. Training on labor relations issues, including official time, is included in the 40 hours of training that all new supervisors receive. Further training on official time is conducted periodically, and in December of last year, the Deputy Commissioner for Human Resources released three sets of guidance material on official time to all SSA supervisors and managers. The OLMER conference calls described above will provide additional information, assistance and support.

As the OIG report notes, almost all of the managers surveyed stated that they knew they had an office to consult for assistance on the use of official time for union-related activities. And more than 90 percent of managers reported that the office's advice was accurate, timely and helpful.

Time Spent on Union Activity

OIG states that URs spend more time on union activities than managers do. This is neither surprising nor inappropriate. Responses show that the majority of both managers and URS reported that consultation with each other on operations was the most common union activity. Over 80 percent of both managers and URs responded that the URs had involvement in the manager's decision-making process. Again, we believe that the responses are indicative of cooperative working relationships and a productive approach to workplace relations that are beneficial to the Agency's mission and goals.

In summary, we believe that management has a responsibility to be vigilant in the use of official time for union activity. At the heart of the official time issue is the continuing development of an effective management-union relationship in the Federal sector. It can only be achieved through effective communications and the building of professional, trusting relationships between individual managers and URs. Certainly, local managers and URs will often have differing views on--and perceptions of--any number of work-related subjects, including use of official time. But, as the survey results indicate, they also have much in common, including a willingness to adhere to rules established through collective bargaining practices, a disposition to establish cooperative working relationships and a desire to achieve our Agency mission. We need to continue to build upon these strengths.

APPENDIX E

MAJOR REPORT CONTRIBUTORS

Office of the Inspector General

E. Scott Patterson, Director, Evaluations and Technical Services
Tim Nee, Deputy Director
Robert T. Blake, Senior Auditor
Tracey K. Rennie, Senior Evaluator
Alan L. Lang, Senior Auditor

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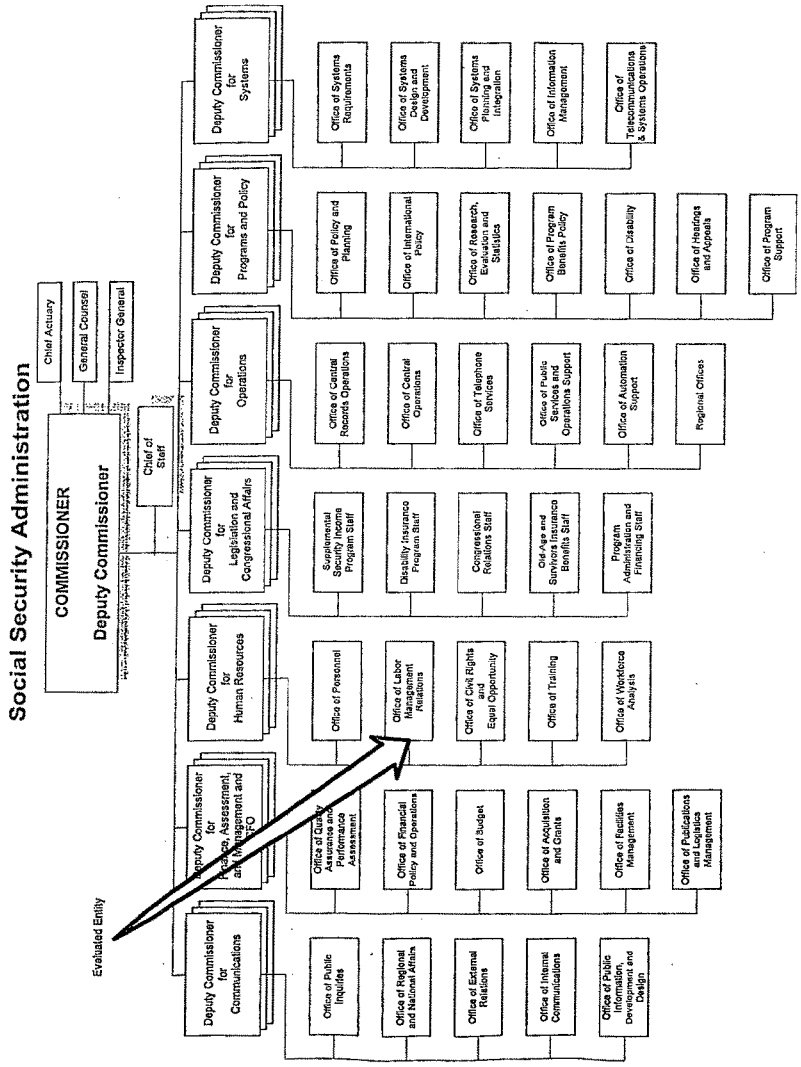
SSA ORGANIZATIONAL CHART



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	Page 2
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Senate Special Committee on Aging	1
President, National Council of Social Security Management Associations, Inc.	1
Treasurer, National Council of Social Security Management Associations, Inc.	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	**82**

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is organized into five components:

Office of Investigations

The Office of Investigations conducts and coordinates investigative activity related to fraud, waste, abuse and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. The Office of Investigations also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of Audit

The Office of Audit conducts comprehensive financial and performance audits of SSA's programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. The Office of Audit also conducts short-term management and program evaluations focused on issues of concern to SSA, the Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Management Services

The Office of Management Services supports the OIG components by providing budget, procurement, telecommunications, facilities and equipment, human resources, information resources management, and systems security. OIG also is responsible for and coordinates the OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act; public affairs; interagency activities; OIG reporting requirements and publications; and responses to congressional inquiries.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

USE OF OFFICIAL TIME FOR UNION ACTIVITIES AT THE SOCIAL SECURITY ADMINISTRATION

July 1998 A-13-97-72013

AUDIT REPORT

Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

SOCIAL SECURITY

Office of the Inspector General

MEMORANDUM

Date: JUL 10 1998

Refer To:

To: Kenneth S. Apfel
Commissioner of Social Security

From: Acting Inspector General

Subject: Use of Official Time for Union Activities at the Social Security Administration

The attached final report presents the results of our review of the use of official time for union activities at the Social Security Administration (SSA) (A-13-97-72013). The objective of the review was to determine whether official time for union activities at SSA was being used in compliance with laws, regulations, and contractual (collective bargaining) agreements, and whether SSA produces reliable information to determine the costs of official time.

You may wish to comment on any further action taken or contemplated on our recommendations. If you choose to offer comments, please provide them within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Pamela J. Gardiner, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

EXECUTIVE SUMMARY

OBJECTIVE

The objective of this audit was to determine whether official time for union activities at the Social Security Administration (SSA) was being used in compliance with relevant laws, regulations, and contractual (collective bargaining) agreements, and whether SSA produces reliable information to determine the costs of official time.

BACKGROUND

Unions at SSA

There are three unions at SSA--the National Treasury Employees Union (NTEU), the National Federation of Federal Employees (NFFE), and the American Federation of Government Employees (AFGE). Collectively, they represent approximately 52,000 bargaining unit employees for which there are about 1,800 union representatives; of those 145 work full-time on union activities. AFGE is by far the largest union representing about 96 percent of SSA's bargaining unit employees. Provisions regarding how the three unions will operate at SSA are set forth in various collective bargaining agreements.

Official Time

SSA defines official time as time during which an employee otherwise would be performing Agency assigned work, but the employee is authorized by law, regulation, or negotiated agreement to spend time representing union and/or bargaining unit employees. SSA is required by Federal law to authorize the use of official time by union representatives for certain activities, and has agreed to its use for other activities pursuant to its collective bargaining agreements with the unions. Common representational activity constituting authorized official time includes representing employees in complaints by or against management, bargaining over changes in working conditions and the application of personnel policies, and negotiating union contracts with management. When a union representative is on official time, SSA is obligated to pay the employee the same wages as if he or she were performing regular Agency-assigned work.

The three unions and SSA have negotiated collective bargaining agreements which contain provisions regarding limits on the use of official time. Some categories of activities have caps or limits on the amount of hours that can be used, and some

categories have no limits as long as they are considered reasonable, necessary, and in the public interest. The collective bargaining agreements also provide limits relative to the type of union position occupied, such as an officer, assistant chief steward, or steward. These agreements also address the number of union representatives authorized to use official time and how it should be recorded.

In 1993, Executive Order 12871 articulated a concept of labor/management relations called "Partnership" which requires agencies to involve their labor organizations as full partners with management in identifying agency problems and crafting solutions. During the period of our review, the hours spent on Partnership activities by union representatives may or may not have been considered official time. The reason for this inconsistency stems from a lack of clear guidance. In December 1997, SSA issued guidance to clarify which activities should be considered Partnership activities and that such activities should not qualify for official time.

Congressional Hearings and the General Accounting Office Report on Union Activities at SSA

Congressional hearings held in June 1996 examined the use of the Social Security trust funds to finance union activities. The hearings discussed the use of the trust funds to pay for official time and its related costs, the increase in the use and cost of official time, the balance of power between the unions and SSA management, and the effect of official time on service to the public. In October 1996, the General Accounting Office (GAO) provided Congress with a report on the time and costs associated with union activities at SSA. GAO found that SSA's official time-reporting systems did not adequately capture the actual amount of official time used, and that a limited verification of the hours reported found that the amount of official time was underreported.

SCOPE AND METHODOLOGY

After the GAO report was issued, Congress requested the Office of the Inspector General to provide more in-depth information regarding the use of official time related to union activities at SSA, and how the Agency accounts for the time and the associated costs. To accomplish this, we reviewed relevant Federal laws, related criteria, testimony from previous congressional hearings and GAO reports, and contractual agreements. We met with labor-relations personnel, and we interviewed union representatives and their supervisors. We also examined official time records and reports from various components as well as SSA's calculation of costs related to official time.

RESULTS OF REVIEW

We identified weaknesses with SSA's management oversight of official time. Specifically, SSA's management oversight does not provide reasonable assurance that: only currently designated union representatives are authorized to use official time; the number of authorized users is in compliance with contract criteria; requests for official time are used for authorized purposes and for a reasonable amount of time; and allegations or suspicions of misuse of official time are effectively resolved.

We also found that SSA's controls over the processing and reporting of official time are not sufficient to provide reasonable assurance that the data in its report to Congress is reliable.

CONCLUSIONS AND RECOMMENDATIONS

We specifically examined SSA's calculation of official time hours reported as used in Fiscal Year (FY) 1996. For that FY, SSA reported that 481,945 hours were spent on official time activities at a cost of $14.7 million. We were unable to verify this data because we concluded that management oversight and internal controls were not adequate to ensure that official time was being used in compliance with applicable criteria and the terms of the relevant collective bargaining agreements, and that the data used to determine the cost of official time was not reliable.

To correct these weaknesses, we recommend that SSA:

- Maintain accurate, up-to-date listings of union representatives and use them to monitor which individuals are using official time and the number of authorized users.

- Improve its oversight to better determine whether official time is being used for an appropriate activity and for an appropriate amount of time.

- Improve procedures to better ensure that allegations or suspicions of suspected abuse are resolved in a timely manner.

- Improve controls to better ensure that official time data is complete and accurate, including clarifying which activities should be reported as official time.

- Further, to comply with the Office of Personnel Management's request for Calendar Year (CY) 1998 data on official time, SSA should establish a

mechanism to evaluate the benefits and disadvantages of official time and its impact on SSA's service to the public.

AGENCY COMMENTS

On a general level, SSA believed the report should acknowledge the actions it has already taken to improve the accuracy of its official time reporting process, as well as acknowledge the impact of administrative case law decisions on the parameters in which the Agency must operate. To support this, SSA listed specific actions it had taken to improve the time reporting process. Also, SSA stated that many of our recommendations appear to ask the Agency to go beyond the constraints established by administrative case law.

SSA generally agreed with all of the specific recommendations except for one--the need to clarify whether activities should be reported as Partnership time, official time, or Agency duty time.

OIG RESPONSE

We revised the report to acknowledge that SSA has taken actions to improve the accuracy of the time reporting process. In making our recommendations, our intent is to ensure compliance with the official time reporting requirements of the current collective bargaining agreements. If SSA is unable to implement our recommendations within the confines of the current agreements and the parameters set by administrative case law, it should address them during negotiations for future collective bargaining agreements. If such negotiations prove unsuccessful, SSA may wish to seek a legislative resolution. We disagree that there is no need to clarify instructions regarding whether activities should be reported as Partnership time, official time, or Agency duty time.

TABLE OF CONTENTS

Page

EXECUTIVE SUMMARY i

INTRODUCTION 1

SCOPE AND METHODOLOGY 4

RESULTS OF REVIEW 7

SSA MANAGEMENT OVERSIGHT OF OFFICIAL TIME 7

- SSA Needs to Maintain Accurate Listings of Designated Union Representatives 8
- Supervisors Need to Ensure that Requests for Official Time Are for Authorized Activities 9
- Supervisors Should Ensure that Official Time Is Approved in Advance 11
- SSA Needs to Ensure that Excessive Official Time Is Not Used 12
- SSA Needs to Effectively Resolve Allegations or Suspicions of Misuse of Official Time 14

SSA'S PROCESSING AND REPORTING OF OFFICIAL TIME 15

- Completeness, Accuracy, and Retention of Official Time Records 16
- SSA Needs to Ensure that Official Time Is Consistently Reported for Union Officers 19
- SSA Needs to Ensure that Partnership Activities Are Consistently Reported 20

NEW LEGISLATION AFFECTING OFFICIAL TIME 21

- Official Time Should Be Evaluated 21
- Official Time No Longer an Expense of SSA's Trust Funds 22

CONCLUSIONS AND RECOMMENDATIONS 23

AGENCY COMMENTS AND OIG RESPONSE 26

APPENDICES
Appendix A - SSA Official Time Forms
Appendix B - Official Time Reporting Flowcharts
Appendix C - Agency Comments
Appendix D - Major Report Contributors
Appendix E - SSA Organizational Chart

INTRODUCTION

OBJECTIVE

The objective of this audit was to determine whether official time for union activities at SSA was being used in compliance with relevant laws, regulations, and contractual (collective bargaining) agreements, and whether SSA produces reliable information to determine the costs of official time.

BACKGROUND

Unions at SSA

There are three unions at SSA--NTEU, NFFE, and AFGE. Collectively, they represent approximately 52,000 bargaining unit employees for which there are about 1,800 union representatives. Of those 1,800 union representatives, 145 work full-time on union activities. AFGE is by far the largest union representing about 96 percent of SSA's bargaining unit employees. Provisions regarding how the three unions will operate at SSA are set forth in various collective bargaining agreements.

Although three unions represent SSA employees, the results of our review primarily address the contract provisions and policies and procedures for approving and reporting official time for AFGE union representatives. We focused on AFGE because it represents 96 percent of SSA's bargaining unit employees.

Official Time

As authorized by 5 United States Code, section 7131, union representatives may be granted official time[1] to conduct certain union activities. For example, SSA is required to authorize official time for the negotiation of a collective bargaining agreement. With certain exceptions, official time will be granted in any amount agreed to by the union and management in a collective bargaining agreement that has been deemed by the parties to be reasonable, necessary, and in the public interest. Commonly authorized representational activities include representing

[1] An SSA memorandum dated December 8, 1997, defines official time as time during which an employee otherwise would be performing Agency assigned work, but the employee is authorized by law, regulation, or negotiated agreement to spend time representing union and/or bargaining unit employees.

employees in complaints by or against management; bargaining over changes in working conditions; the application of personnel policies; and negotiating union contracts with management.

The three unions and SSA have negotiated collective bargaining agreements that contain provisions regarding limits on the use of official time. Some categories of activities have limits on the number of hours that can be used for official time. Others limit the type of union position or the overall time charged by the unions. Some categories of activities have no limits on the number of hours that can be charged as long as the activities are considered reasonable. The collective bargaining agreements also address the number of union representatives that are authorized to use official time and how it should be recorded.

SSA has issued policies and procedures for managers and supervisors that govern the use of official time.[2] Supplemental guidance has been issued addressing issues such as defining official time and when its use is appropriate, the different types of official time, when a request to use official time should be granted or denied, which activities are appropriate uses of official time, and what type of data needs to accompany a request for official time.

SSA is obligated to pay its employees while they are performing authorized activities on official time. SSA also provides support for such items as union office space, supplies, and equipment. The cost traditionally has been allocated between the Social Security trust funds and general revenues in the same proportion as all SSA administrative expenses. However, Public Law 105-78[3] requires that, beginning in FY 1998, the cost allocated from the trust funds be reimbursed from general revenues by the U.S. Department of the Treasury.

Partnership

In 1993, President Clinton issued Executive Order 12871, which articulated a new vision of labor/management relations called "Partnership." Partnership requires that agencies involve their labor organizations as full partners with management in identifying agency problems and crafting solutions. Union representatives are to be considered an integral part of the Partnership teams that are created to address and solve agency problems, especially those that affect service to the public. During the period of our review, the hours spent on Partnership activities by union

[2] The most comprehensive book for managers and supervisors regarding administration of the National Agreement Between AFGE and SSA is the *SSA Managers Labor Relations Handbook* (SSA Pub. No. 27-04, September 1993). Changes, reminders, or other guidance are also often distributed by memorandums. For example, in December 1997, SSA sent a memorandum to all supervisors and managers on the subject of official time in the format of questions and answers.

[3] The Departments of Labor, Health and Human Services, and Education Appropriations Bill for 1998.

representatives may or may not have been considered official time. In December 1997, SSA issued guidance attempting to clarify which activities should be considered Partnership activities and that these activities should not be considered official time.

Previous Congressional Hearings and GAO Report on Union Activities at SSA

The House Committee on Ways and Means, Subcommittee on Social Security, held hearings on official time in June 1996. The hearings examined the use of the Social Security trust funds to finance union activities, the increase in the use of official time and its costs, the balance of power between the union and SSA management, and the effect that the use of official time has on service to the public.

In October 1996, GAO provided the Subcommittee with a report[4] on the results of its review of the time and costs associated with union activities at SSA. GAO's review consisted of interviews with SSA management and union representatives and an examination of official time records for FY 1995. GAO's review of official time records was limited to one SSA regional office and selected Headquarters' components. GAO reported the following:

- SSA's official time-reporting systems do not adequately track the number of union representatives charging time to union activities or the actual time spent.
- A limited verification of the hours spent on union activities as reported by SSA found that official time was underreported.
- The selection of union representatives and the amount of time they spend on union activities are determined by the union without the consent of local managers.
- Some SSA field managers stated that they lack authority in decisions about which individuals are authorized to use official time and how much time they spend on union activities and this causes problems in managing the daily activities of their operations.

Reports of Official Time

The Senate Appropriations Committee requested that, beginning with FY 1989, all future SSA budget justifications include information on prior expenditures for union activities. SSA has provided this information by preparing reports of official time

[4] GAO Report (GAO/HEHS-97-3, October 1996) entitled, "Social Security: Union Activity at the Social Security Administration."

usage and its costs. For FY 1996, SSA reported that it paid $14.7 million in union-related expenses, ($13.4 million for salaries and $1.3 million for office space, telephones, travel, and arbitration expenses). For that same time period, SSA reported that union representatives spent 481,945 hours on official time activities.

Office of the Inspector General Reviews

In addition to our review of official time, the Office of the Inspector General has conducted contemporaneous reviews of employee observations on the use of official time and on Partnership activities. Additional reports will also be issued:

- Non-Council 220 Union Representative and Management Observations on the Use and Management of Official Time at the Social Security Administration (A-02-98-02002);
- Partnership Activities at the Social Security Administration (A-13-98-72023); and
- Council 220 Union Representative and Management Observations on the Use and Management of Official Time at the Social Security Administration (A-02-97-72002).

SCOPE AND METHODOLOGY

The objectives of our review were to determine whether:

- official time for union activities is used in compliance with relevant laws, regulations, and contractual agreements; and
- SSA produces reliable information to determine the cost of official time.

In conducting this audit, we:

- reviewed the Civil Service Reform Act of 1978, Executive Order 12871, and SSA/Union collective bargaining contracts and agreements on official time and Partnership;
- reviewed testimony and statements from previous congressional hearings;
- reviewed GAO's report on union activities at SSA;
- evaluated SSA's management controls over the processing and reporting of official time;

- met with personnel in SSA's Office of Labor-Management and Employee Relations (OLMER) who compile official time hours;

- met with personnel in SSA's Office of Budget (OB) who calculate and report the costs of official time;

- examined SSA's processing and reporting of official time hours and how the costs of official time are calculated;

- interviewed 66 SSA supervisors and 42 union representatives who are involved in the day-to-day activities of requesting, approving and reporting official time;

- examined a random sample of official time records for FY 1996 from 100 offices in SSA's Atlanta, Dallas, and New York regions to determine whether the amount of time was accurately reported and whether official time was used in compliance with contractual agreements between the unions and SSA;

- examined all of the available official time records for FY 1996 from SSA Headquarters in Baltimore, Maryland, and the Office of Hearings and Appeals (OHA) in Falls Church, Virginia, to determine whether the amount of time was accurately reported and whether official time was used in compliance with contractual agreements between the unions and SSA; and

- examined SSA's FY 1996 report to Congressional Appropriations Committees on official time.

During our review, we encountered resistance and delays in obtaining requested information. AFGE challenged the legality of our review and advised union officials not to cooperate with our audit. After several meetings and much correspondence with SSA and Union officials, then Acting Commissioner John J. Callahan instructed Agency officials to attempt to achieve cooperation with our review. AFGE also advised union representatives to cooperate with our review. However, AFGE stated that it was up to each union representative to choose whether to do so. Consequently, only 42 of the 73 union representatives that we contacted agreed to be interviewed.

We had also planned to review a new system that SSA is developing for tracking the use of official time, the Official Union Time Tracking System (OUTTS). SSA advised GAO that it was developing this system to provide more accurate data on the amount of official time spent on union activities. We did not review OUTTS because it was still in a training environment during our review and SSA had not fully implemented it until after our review ended.

Our audit consisted of a review of SSA's reported official time for FY 1996. Our work was performed from February 1997 through February 1998 at SSA in Baltimore, Maryland (Headquarters); OHA, in Falls Church, Virginia; and SSA's Dallas, Atlanta, and New York Regions. Our audit was conducted in accordance with generally accepted government auditing standards.

RESULTS OF REVIEW

The objectives of this review were to determine whether official time for union activities at SSA was used in compliance with relevant laws, regulations, and contractual agreements and whether SSA produces reliable information to determine the costs of official time. We specifically evaluated those controls that ensure that:

- only authorized union representatives use official time;
- official time is approved only for authorized activities and for an appropriate amount of time;
- official time is completely and accurately reported; and
- misuse of official time is identified, reported, and addressed.

We also determined whether the amount of time and costs associated with SSA's FY 1996 official time was accurately reported to the Congress.

The results of our audit are presented under the following three topics.

- SSA Management Oversight of Official Time
- SSA's Processing and Reporting of Official Time
- New Legislation Affecting Official Time

SSA MANAGEMENT OVERSIGHT OF OFFICIAL TIME

The Office of Management and Budget (OMB) Circular A-123, *Management Accountability and Control*, states that resources should be efficiently and effectively allocated for duly authorized purposes. In addition, management should have controls in place that provide reasonable assurance that time and attendance activities are properly authorized and approved. Supervisors must be aware of the absence of and time worked by employees to ensure the reliability of time and attendance records.

We identified several weaknesses in SSA's management oversight of official time. We found that SSA controls do not provide reasonable assurance that:

- only currently designated union representatives use official time;
- requests for official time are for authorized purposes;
- requests for official time are approved in advance;
- limits on the use of official time are observed; and
- allegations or suspicions of misuse of official time are effectively resolved.

SSA Needs to Maintain Accurate Listings of Designated Union Representatives

Article 30, section 2 of the AFGE/SSA National Agreement (the AFGE/SSA Agreement) states that AFGE will provide SSA with a complete, up-to-date listing of all designated union officials including each official's name, location, and telephone number. This provision requires AFGE to notify the Agency of any changes to the listing. Further, this provision notes that SSA will grant official time to only those individuals who are designated in writing as union officials.

The AFGE/SSA Agreement contains provisions that, although intended to ensure that employees have access to union representatives, effectively limit the number of union representatives for a particular office or component. For example, Article 30, Appendix A, section 1 of the AFGE/SSA Agreement states that SSA will only recognize 1 Union Steward for each 200 bargaining unit employees at Headquarters. Current listings are necessary to ensure that only designated union representatives use official time and that limits on the number of representatives are correct.

In its 1996 report on union activity at SSA, GAO found that "the list of authorized representatives maintained by the Agency was outdated and incomplete." This remained true during our audit period. SSA could not readily provide us with accurate listings of authorized union representatives. SSA advised us that this was because the list of representatives was fluid; i.e., names and telephone numbers can virtually change on a daily basis. Also, SSA does not maintain a national listing of union representatives. Current data is maintained at the local level. However, we found that local lists were not always current.

The data we received when we requested a listing of Headquarters union representatives, which accounted for about 73 of the estimated 1,800 union representatives nationally, illustrated the inaccuracy of the listings. The list SSA initially provided contained union representatives from other Federal agencies. Consequently, we could not distinguish which individuals were SSA union

representatives. SSA explained that the listing contained non-SSA employees because our request was for a listing of Local 1923 representatives, which correctly includes employees from other agencies. After a new request, SSA provided a revised listing of only SSA union representatives. From this listing, we placed 23 calls and found that 1 individual had not been a union representative for over 2 years, 1 was never a representative, 2 had been retired for over 1 year, and 9 could not be reached at the telephone numbers provided.

Supervisors often could not provide any documentation to indicate that the employee requesting official time was a currently designated union representative. For example, during our reviews of SSA's regional offices, we found that 62 offices either never received a designation notice, could not locate them, or did not retain them. The inability of SSA to provide documentation and accurate listings of union representatives also prevented us from determining whether individuals who used official time during FY 1996 were authorized union representatives. For example, based on our review of official time records in the regional offices we could not determine if 66 individuals were authorized union representatives.

The inaccurate listings also prevent SSA from adequately monitoring the number of authorized representatives to ensure that AFGE does not exceed the AFGE/SSA Agreement provisions. For example, at Headquarters the most recent listings show there are 11 Assistant Chief Stewards (ACS) authorized to use official time. The AFGE/SSA Agreement, Article 30, Appendix A, section 1, provides for 1 ACS for every 1,500 bargaining unit employees, which indicates there should only be 7 ACSs.

SSA provided us with examples that it does notify the union when it becomes aware that the number of authorized representatives exceeds the AFGE/SSA Agreement provisions. However, there are inadequate controls to ensure that the number of authorized union representatives are not exceeded at any given time. To prevent this from occurring, SSA needs to monitor the listings to ensure that they remain current and compare them to the AFGE/SSA Agreement limits on the number of authorized union representatives. We found that this is not routinely done.

Supervisors Need to Ensure that Requests for Official Time Are for Authorized Activities

The AFGE/SSA Agreement contains provisions that official time shall be approved only for authorized labor-management activities. The authorized activities are specified in the AFGE/SSA Agreement, Article 30, Appendices A through F. For example, some common authorized activities are:

- meetings requested by authorized management officials;
- monthly and quarterly labor relations meetings;
- representing employees in grievances, arbitration, Privacy Act complaints;
- responding to management proposals submitted to the Union for comment;
- mid-term consultation and/or bargaining on management initiated changes; and
- Federal Labor Relations Authority and Merit Systems Protection Board proceedings.

The SSA manager's guidance for official time for union representatives, dated December 8, 1997, states that supervisors need to receive sufficient general information from union representatives to determine if the request for official time is for an approved purpose and for a reasonable amount of time. However, SSA guidance also states that supervisors should approve requests unless they are clearly unreasonable. In most cases, official time must be approved by a supervisor before union representatives are permitted to leave the work site to discharge their functions. In addition, statutory and contractual provisions prohibit the use of official time for certain activities, such as any internal union business.

We found that supervisors usually cannot determine whether the request for official time is for an authorized activity because information provided on the official time forms is incomplete or the official time forms do not require specific information. For example, the forms used by union representatives at Headquarters and field offices require a specific code to describe the type of activity, while the forms used by union representatives in other components simply have a blank space to describe the "Nature of Business."

Our review of the official time forms for union representatives at Headquarters illustrates the condition of official time records that supervisors must review to determine whether the request for official time is appropriate. Official time forms were not always completed using the specific codes on the form describing the type of activity. Appendix A to this audit report includes a sample copy of a Headquarters Monthly Official Time Record. This form provides the codes and the description of particular types of activity. For example, F1-8 is the code for mid-term negotiations and F2-2 is the code for grievances. In contrast, the forms we reviewed contained entries such as "meeting" or "conference," or a destination such as "Union Office," "Metro West," "Annex Building" or were left blank. In 235 of the 433 forms we reviewed, the information was vague, could not be easily verified, and a supervisor could not determine whether the activity was an appropriate use of time. These descriptions did not comply with the forms established under the collective bargaining agreements.

Based on our interviews with 12 supervisors of union representatives at Headquarters, 10 stated that they did not know or attempt to judge whether the request for official time was appropriate. We believe the principal reasons for management's lack of information on the propriety of requests were that the official time forms do not require enough information for informed judgment, the forms were often completed but with vague information, or attempts to get specifics may be questioned by upper management or challenged by the union. Despite the lack of information, 5 of the 12 supervisors believed that there were abuses of official time in that sometimes it may have been used for inappropriate activities.

Supervisors Should Ensure that Official Time Is Approved in Advance

The NTEU/SSA collective bargaining agreement (NTEU/SSA Agreement) states that, where practicable, official time for union representatives will be approved in advance. The NTEU/SSA Agreement also states that supervisors will record the use of official time by NTEU representatives. The Labor Relations Handbook for Managers and Supervisors indicates that supervisors will send a monthly record of approved official time to the regional labor relations office.

We reviewed the official time records for NTEU union representatives in SSA's regional offices and found a lax approval process for official time. We found instances where reported official time was not supported by the monthly supervisory records of approved official time. Supervisors were not approving and documenting official time on prescribed official time forms. Instead, supervisors reported official time based on informal conversations, memoranda, or pages from calendars submitted by NTEU union representatives. The information provided did not frequently show the date official time was used, the amount of time used for each activity, or the reason for official time. Official time was reported to supervisors at the end of a 6-month reporting period, well after the official time had been taken. None of the memoranda or pages from calendars were signed by supervisors to indicate that the official time had been approved. Consequently, we concluded that supervisors as a matter of practice do not preapprove official time requests.

The AFGE/SSA Agreement, Article 30, Appendices A through F, generally permit union representatives to use official time after reporting to their respective supervisors and identifying the purpose of their activity. The official time forms require a supervisory signature to document that official time has been approved. During our review of Headquarters official time records, we found that generally official time records were approved. Our review of 433 official time records showed that 28 of the records were not signed or approved by a supervisor.

SSA Needs to Ensure that Excessive Official Time Is Not Used

The AFGE/SSA Agreement, Article 30, Appendices A through F, places limitations on the amount of official time that union representatives may use depending on the union representative's position, the component involved, and the type of activity. We considered the amount of official time used as excessive if it was more than the amount allowed by the AFGE/SSA Agreement or more than necessary to perform a given activity.

Limits by the Union Representative's Position

- Union officers are allowed a "reasonable" amount of time to accomplish their union duties which, in practice, generally means officers charge virtually all of their time as official time.

- ACSs and Stewards are limited by contract criteria to a specific number of hours for certain activities.

Limits by SSA Component

- At Headquarters, an ACS is allowed up to 312 hours of official time per 6-month period, and a Steward is allowed up to 208 hours of official time per 6-month period.

- At OHA, a chief steward is allowed up to 25 percent of the regular working hours per year, and a Steward is allowed up to 10 percent of the regular working hours per year for official time.

- At field offices, the total number of hours for all union representatives is capped between 100,000 and 110,000 hours per year. The union distributes these hours to individual representatives. The individual representatives are limited to 4 hours per week for offices with less than 70 employees or 10 hours per week for offices with 70 or more employees.

- At the Office of Assessment (field), local representatives are allowed up to 4 hours per week for offices up to 70 employees, and up to 10 hours per week for offices of above 70 employees.

- At the Program Service Centers, elected officers are allowed up to 49 percent of their working time available in a month, chief stewards are allowed up to 25 percent and stewards are allowed up to 10 percent of their working time available in a month.

Limits by Activity

- The preceding limits or caps on hours apply only to certain official time activities. Some authorized official time activities have no specific limits. Union representatives at Headquarters are granted an unlimited amount of time for activities such as periodic labor relations meetings, meetings requested by authorized management officials, and meetings of Union-Administration committees.

At Headquarters, SSA does attempt to identify situations where the AFGE/SSA Agreement limitations may be exceeded. For example, OLMER personnel monitor the contract provisions that place limits on official time. OLMER advised us that when the amount of official time used is approaching the limits, they contact the union representative's component with advice to deny any requests for time which would exceed the limits. Our interviews with supervisors confirmed that this was a common practice. Despite this common practice, we identified situations where official time was exceeded as explained below.

We interviewed 66 supervisors and do not believe that supervisors can generally tell whether an excessive amount of official time has been used in particular instances. When we interviewed the supervisors of Headquarters union representatives, 10 stated that they did not know nor could they judge whether the amount of official time requested and used was appropriate. We reviewed official time records at Headquarters and found that 3 of 42 union representatives exceeded the AFGE/SSA Agreement limitations. For the three representatives, there was no evidence that the excessive time had been identified and approved by the supervisor or OLMER. Of the 50 supervisors interviewed from SSA's regional offices, 22 stated that they do not monitor contractual limitations.

Even when AFGE/SSA Agreement limits are monitored, the limits only apply to certain categories of activities. Furthermore, self-reporting, combined with incomplete or vague activity descriptions and no supervisory verification of the type of activity, prevented us from determining whether excessive amounts of official time had been used.

We believe a principal reason for the lack of oversight regarding potential excessive time is the difficulty in discerning the nature of the activity for which official time was requested. Without knowing more about the type of activity, supervisors have very little ability to evaluate the reasonableness of the amount of time requested or whether the activity is the type subject to collective bargaining agreement limitations.

SSA Needs to Effectively Resolve Allegations or Suspicions of Misuse of Official Time

The AFGE/SSA Agreement, Article 30, section 3, contains procedural guidance on how to handle allegations of abuse of official time. It states that alleged abuses of official time shall be brought to the attention of an appropriate management official on a timely basis. The management official should discuss the matter with the union local or council president as appropriate.

Our interviews with supervisors of union representatives at Headquarters and the regional offices found that instances of suspected abuse are not always effectively resolved and that disposition of the allegations are not always known by the supervisor. Of the 66 supervisors we interviewed, 14 had reported cases of suspected abuse of official time. The supervisors provided the following information on the 14 referrals of suspected abuse:

- 2 cases - were investigated and resolved by management;
- 2 cases - were investigated and the abuse stopped;
- 2 cases - supervisors were told to overlook them;
- 7 cases - no feedback was ever provided, so supervisors did not know the outcome; and
- 1 case - was "checked out" superficially by management.

The AFGE/SSA Agreement requires union cooperation in abuse investigations by requiring unions to release their copies of official time records upon request. It indicates that specific union councils and local unions shall maintain accurate records to account for all official time used by their union representatives. To accomplish this, the union shall maintain a copy of the official time record. This copy is only supposed to state the name of the person contacted. If a supervisor suspects that a union representative has abused official time, he/she may request the union copy of the official time record. The union is required to provide the records for management's review. During our review of SSA's regional offices, we were advised that this policy was not always followed and thus resulted in cases of suspected abuse not being resolved. In one case a management official requested the union copies of official time records for two union representatives suspected of abuse. The union did not cooperate and failed to provide copies of the official time records even after several follow-up requests. The suspected abuse was still unresolved at the end of our review.

SSA'S PROCESSING AND REPORTING OF OFFICIAL TIME

In 1988, Congress initiated requirements for union representatives to report the use of official time. The Senate Committee on Appropriations Report[5] that accompanied SSA's FY 1988 appropriation request mandated that SSA's 1989 and future budget justifications include information on SSA's expenditures for union activities. Since FY 1989, SSA has met this requirement by providing reports to the Appropriations Committees that contain the number of hours spent on official time and their cost.

In December 1997, the House and Senate Committees on Appropriations directed the Office of Personnel Management (OPM) to compile information from various agencies (including SSA) on the use of official time and other services by Federal employee unions and to report this information to the Committees. OPM will prepare a report that contains this information covering the first 6 months of CY 1998. The information is to include, among other items, the total hours of official time, their cost, and information on the benefits and disadvantages of using official time.

Based on our review, we identified several weaknesses in SSA's processing and reporting of official time. We found that controls are insufficient to provide reasonable assurance that the data SSA supplies to the Congress are reliable.

Processing Official Time Records and Reports

The processes for reporting official time vary by component. There are three official time forms and reporting processes. Copies of the forms are contained in Appendix A and flowcharts describing the reporting processes are contained in Appendix B.

Union representatives in SSA's field offices and teleservice centers have their official time forms entered into an automated system, called the YY Reporting System, that can produce summary totals. Other components use a completely manual paper-based process to report and summarize official time hours. The hours reported are periodically sent to OLMER at Headquarters. OLMER then prepares an agencywide report of official time hours and provides this information to OB. At the end of the FY, OB prepares SSA's report to the Appropriations Committees that includes information on actual hours used and the costs associated with official time. The costs are determined by using the average employee salary, employee benefits, overhead rates (leave), arbitration, travel, office space, and telephone expenses. SSA reported that 481,945 hours of official time were used in FY 1996, with an estimated cost of $14.7 million.

[5] Senate Report 100-189.

Management Controls

OMB Circular A-123 requires that transactions be promptly recorded and accounted for to prepare timely accounts and reliable financial and other reports. In addition, the documentation for transactions must be clear and readily available for examination. There should be procedures in place to verify the completeness and accuracy of the records summarized and reported. For example, in the case of official time, there should be controls for the following:

- **Completeness** - to ensure that all official time records are reported.
- **Accuracy** - to ensure that official time records are summarized accurately.
- **Recording and Documentation** - to ensure that transactions are clearly documented and the documentation is readily available for examination.

We reviewed all of the available records of official time for Headquarters and OHA, Falls Church, as well as a sample of records from SSA offices in the Atlanta, Dallas, and New York regions. We identified the following weaknesses with SSA's processing and reporting of official time.

- There are insufficient controls to ensure that all official time records are included in SSA's reported official time.
- There are insufficient controls to identify when official time records have been incorrectly summarized and reported.
- SSA does not always retain individual source documents (official time records) for reported official time.
- SSA does not have consistent policies and procedures for reporting official time for union officers, and Partnership activities.

Completeness, Accuracy, and Retention of Official Time Records

SSA Needs to Ensure that All Official Time Records Are Reported to Congress

SSA has insufficient controls in place to ensure that all official time records are included in their summary reports. When either paper-based records or automated records are forwarded to OLMER for the agencywide report on official time, there is no confirmation that all records have been received. Consequently, the supervisors who submit records have no assurance that the hours have been accounted for and included in the agencywide report. More importantly, if supervisors do not submit records, even when no official time was used for the reporting period, OLMER has no way of knowing whether they have received all of

the records of official time for each union representative. We found that when a union representative does not use any official time for a reporting period, supervisory practices differ. Some supervisors submit reports showing zero hours, while others simply do not file a report.

To ensure that all official time records are included in SSA's report to Congress, there should be a comparison (manual and automated) of the listings of authorized union representatives to their individual records of official time submitted by supervisors. This comparison would enable SSA to identify those union representatives whose supervisors did not report their official time as required.

SSA Should Reconcile Official Time Records and Reports

A timely reconciliation of individual records of official time to summary reports would enable SSA to maintain the accuracy of the summary reports. Only by reconciling the individual records to the summary reports, can SSA identify instances when official time hours were summarized incorrectly. However, SSA has not implemented such a reconciliation system. In addition, component and/or regional summary reports are not reconciled with the agencywide report that is provided to the Congress.

For example, our review at Headquarters showed that supervisors send the official time records to their component labor relations staff which, in turn, sends a summary of the official time records every 3 months to OLMER. The statistics used in the annual report to congressional Committees are derived from the summary that the components submit. This is done without any reconciliation to the source documents.

At Headquarters, we attempted to reconcile the individual records of official time for all 73 union representatives to the summary reports for Headquarters. In our attempt to reconcile the records, we identified a discrepancy in which 7,535 hours were overstated. Because of the large discrepancy, we provided OLMER with the results of our records review. We had identified math errors, incorrect postings of time on the records, and missing documentation.

OLMER staff spent approximately 5 weeks reviewing the individual records. They had to request missing records from supervisors and attempted to resolve the errors and discrepancies we had identified. As a result of their efforts, they obtained an additional 102 official time records and corrected information that had been previously reported. OLMER was able to reconcile 6,881 of the 7,535 overstated hours, with 654 hours still unreconciled.

At OHA, we attempted to reconcile Falls Church and regional summary reports of official time to the amounts SSA included in the agencywide report to the Congress for FY 1996. Our comparison of the Falls Church and regional summary

reports to the agencywide report to the Congress identified the following differences:

Union	Agency Report	Falls Church and Regional Reports	Differences
AFGE	33,402	29,229	4,173
NTEU	13,776	10,968	2,808
NFFE	137	137	0
TOTAL	47,315	40,334	6,981

We provided this information to OLMER, but it was unable to determine the reasons for the differences in reported official time hours.

Some Official Time Records Were Counted Twice in Calculating Official Time

SSA has insufficient controls to prevent duplicate reporting of official time records. When records are forwarded to OLMER for the agencywide report on official time, they are not checked to ensure they have not already been accounted for in the totals.

At Headquarters, union representatives who are "officers" do not submit official time records. They are simply required to sign-in and -out with the supervisor of their assigned office. In addition, the AFGE/SSA Agreement, Article 30, Appendix A, provides that they receive a reasonable amount of official time for the performance of their labor-management responsibilities. As a result of these conditions, OLMER considers officers to be full-time representatives and charges them with 2,080 hours per year.

At Headquarters, we reviewed all of the available official time records for each union representative and found that OLMER reported 29,120 hours for 14 "full-time" union representatives (2,080 hours x 14 representatives). However, 3 of the 14 union representatives were not officers and had submitted official time records for 4,051 hours. As a result, the hours for these union representatives were included in summary reports compiled from the official time records and in OLMER's report of 29,120 hours. This caused the official time hours to be overstated by 4,051 hours. This occurred because OLMER did not compare the official time records submitted by supervisors to a list of persons already credited with 2,080 hours.

Some Official Time Records Were Incorrectly Summarized

To ensure that official time records are accurately summarized, there should be a comparison of the hours on the official time records to the hours entered and summarized. Personnel in SSA's field offices use the YY Reporting System to

summarize and enter official time records. However, the accuracy of the summarized official time is dependent on the employees checking and comparing their input to the source records. There are no systematic edits or checks to ensure the information was summarized accurately.

During our review of SSA's regional offices we found reporting errors for the data entered in the YY Reporting System. There were reporting errors for the total official time used as well as the total official time hours that are limited or capped. There are several categories of official time that are added to determine the totals for official time used. Personnel in SSA's field offices are responsible for totaling the official time hours from official time records and entering totals in the YY System. We found that, in many cases, official hours that had been used were either not entered in the YY system or the amounts entered were incorrect. We found errors in the summary reports as follows:

- Atlanta - 256 errors, resulting in an understatement of 4,177 hours.
- Dallas - 63 errors, resulting in an understatement of 906 hours.
- New York - 67 errors, resulting in an understatement of 6,777 hours.

We determined that these errors occurred because the YY Reporting System does not have edit checks to ensure the information entered is accurate.

Some Official Time Forms Were Not Retained

The official time source documents need to be retained to determine whether records of official time are correctly reported and summarized. The source documents permit verification of the total amounts recorded and reported. The SSA timekeeping manual requires that SSA maintain adequate supporting documentation of time and attendance on file for 36 months after the close of the applicable FY.

We found inconsistent practices for retention of original official time records. For example, during our review of SSA's regional offices, we found that SSA sometimes discarded FY 1996 official time records before the 36-month retention period expired. Because the records were not available for our review, we could not substantiate the existence or accuracy of 3,910 hours included in the FY 1996 report to Congress. The regional SSA officials stated that the information was discarded because there are no specific policies or instructions on how long official time records should be maintained.

SSA Needs to Ensure that Official Time Is Consistently Reported for Union Officers

In SSA's report to Congress on FY 1996 official time, there are estimated expenses for the salaries of union representatives. The estimated cost of official time is determined by OB. The salary cost is determined by multiplying the total

official time hours by an average employee hourly pay. Employee benefits and an overhead rate for vacation and leave are also included to obtain the total salary cost for union activities.

We found that SSA does not consistently use the same criteria to determine official time hours for union officers, and, as a result, the hours reported and the salary costs of official time has been overstated for some union officers. We found that Headquarters union officers' official time hours are computed differently than OHA and regional offices. At Headquarters, OLMER reports 2,080 hours for each officer whereas OHA and the regional offices deduct leave and holidays from the base 2,080 hours. For example, the inconsistency caused the following overstatement of salary costs for each union officer for FY 1996.

	Headquarters	OHA and Regions	Difference
Official hours	2,080	1,800	
Salary Rate	x $19.27	x $19.27	
Salary	$40,081	$34,686	
Employee Benefit Rate	x 18.44%	x 18.44%	
Employee Benefits	$ 7,391	$ 6,396	
Total Employee Salary and Benefits	$47,472	$41,082	
Overhead Rate (Leave)	x 21.52%	x 21.52%	
Overhead Cost	$10,216	$ 8,841	
TOTAL SALARY	$57,688	$49,923	$7,765

We were able to identify 14 union officers at Headquarters that had 2,080 official time hours reported. We estimate the total overstatement of salary costs for them to be $108,710 (7,765 x 14).

SSA Needs to Ensure that Partnership Activities Are Consistently Reported

Partnership activities are increasingly becoming the standard for labor-management interaction. However, there was a lack of clear policy as to how much, if any, time spent on Partnership activities by union representatives constituted official time and should have been reported accordingly. During our review of FY 1996 official time records, we found that there was inconsistent reporting of Partnership time. The AFGE/SSA Agreement does not address which time spent on Partnership activities is official time. The Partnership chapter of the AFGE/SSA Agreement, section 3, only indicates that any Partnership hours considered official

time shall not be limited or capped. The inconsistent reporting of these hours detracted from the reliability of SSA's reported official time.

Our interviews at Headquarters provided the basis to our conclusion that there is inconsistent reporting of Partnership time. It revealed that 9 of the 14 union representatives either did not report Partnership time as official time or were not sure whether such activities should be included. When reported, the union representatives usually used an existing activity code on the official time record since there is no code for Partnership activities.

SSA has attempted to clarify which activities should be reported as Partnership time, official time, or Agency duty time with instructions issued in December 1997.

NEW LEGISLATION AFFECTING OFFICIAL TIME

Two pieces of legislation relevant to official time have emerged: (1) SSA will be required to prepare a report which addresses the benefits and disadvantages of official time; and (2) the Social Security trust funds are to be reimbursed by general revenues from the Department of Treasury for the costs of official time.

Official Time Should Be Evaluated

OPM has been directed by Congress to gather official time data from various agencies, including SSA, regarding the amount and costs of official time usage. The data is to include a description of both the benefits and disadvantages of official time. OPM's report is to cover the first 6 months of CY 1998. Although SSA is already providing Congress with most of this data, information on the benefits and disadvantages of using official time will be reported for the first time. This requirement should give SSA the incentive to evaluate the outcomes of official time usage and determine how they have affected SSA's service to the public. Before this new requirement, SSA had not conducted any evaluations.

In its report on union activities at SSA, GAO stated,

> "SSA has a special fiduciary responsibility to effectively manage and maintain the integrity of the Social Security trust funds from which most of these expenses are paid. In a time of shrinking budget and personnel resources, it is especially important for SSA to evaluate how resources are being spent and to have reliable monitoring systems that facilitate this evaluation."

We believe SSA needs to improve its management oversight of official time to ensure it is used appropriately and accurately reported; however, this will not

measure the value of official time. Even with reliable, accurate information on usage and costs, there is no system in place to quantify and evaluate what SSA has accomplished for those costs.

Official Time No Longer an Expense of SSA's Trust Funds

Public Law 105-78, enacted in 1997, changed the way the ultimate costs of official time will be borne. Prior to this legislation, official time was funded in the same manner as SSA's other administrative expenses, that is, from a combination of funds derived from the trust funds and general revenues. The allocation between the trust funds and general revenues has been in the same proportion as all SSA administrative expenses. Public Law 105-78 changed this arrangement such that the Social Security trust funds will be reimbursed for the costs associated with the use of official time from the U.S. Department of Treasury, solely out of general revenues. This neither increases nor decreases the costs associated with union activities and official time. There is no specific appropriation made for these costs and they remain part of SSA's overall administrative budget.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

We conclude that management oversight weaknesses and problems with SSA's processing and reporting of official time have prevented SSA from producing reliable reports regarding the use of official time by union representatives. Specifically, we do not believe there was reasonable assurance that:

- only designated union representatives used official time;
- requests for official time were for authorized purposes;
- limits on the use of official time were observed;
- allegations or suspicions of misuse of official time were effectively resolved;
- reported official time was complete;
- official time records were summarized and reported accurately;
- supporting documentation of official time was retained;
- official time for union officers was consistently reported; and
- official time for Partnership activities was consistently reported.

Because of these weaknesses, we could not determine whether the actual time and cost associated with SSA's FY 1996 official time were accurately reported to the Congress.

RECOMMENDATIONS

We recommend that SSA take the following corrective actions.

1. Maintain accurate, up-to-date listings of union representatives (as required by the collective bargaining agreements) to ensure that:

   a) Supervisors only approve requests for the use of official time for authorized union representatives.

b) The number of authorized union representatives does not exceed the limitations specified in the collective bargaining agreements at any given time.

2. Improve its management oversight to help determine whether official time is used for appropriate activities and appropriate amounts of time. To accomplish this objective, SSA should:

   a) Instruct supervisors to have official time forms filled out as precisely as possible using existing codes and sub-codes where applicable. If more diligent completion of the official time forms still does not enable supervisors to make an informed decision as to the appropriateness of the activity or the time requested or used for that activity, SSA should pursue revisions of the forms toward that end during negotiations on future collective bargaining agreements.

   b) Instruct supervisors of NTEU union representatives to use the prescribed official time forms in accordance with the terms of the collective bargaining agreement.

   c) Remind all supervisors that official time must be approved in advance of its usage.

   d) Periodically verify a sample of official time used to ensure that official time records are accurate.

3. Monitor the coding or categorizing of the type of union representative activity so that activities that have limits are not improperly reported as an unlimited activity. To accomplish this objective, SSA should require that information on the official time record specifying the type of activity be completed, and periodically test such records for accuracy.

4. Improve procedures to ensure that allegations or suspicions of abuse are resolved in a timely manner. Procedures should address time frames for union cooperation in providing requested documents, a specific document retention schedule for union copies of official time forms, and a process to address situations where time frames are not met or the union does not cooperate. Also, supervisors should be advised of the disposition of their referrals whenever appropriate.

5. Improve controls to ensure that official time data are complete. There should be confirmation of receipt when official time reports are submitted. Also, a follow-up by appropriate labor relations staff should be required for any period in which a report was not filed.

6. Improve controls to ensure that official time records are accurately summarized and reported. SSA should:

   a) reconcile individual official time records to summary reports and reconcile component and/or regional summary reports to the agencywide report before it is provided to OPM and the Congress;

   b) compare official time records that have been submitted by supervisors to any records that may have been previously reported or calculated into the totals to identify duplicate reporting of official time; and

   c) compare the official time records to the amounts summarized and entered in the automated system (YY system) for processing official time.

7. Establish a uniform retention policy for official time records. These source documents need to be maintained to verify the data on official time records and may be necessary to resolve any allegations or suspicion of misuse.

8. Develop policies and procedures to ensure official time is consistently reported for union officers. This will correct the inconsistent reporting which has caused an overstatement of the salary costs for some union officers.

9. Revise its policies and procedures for recording Partnership time so that union representatives, as well as SSA supervisors, know which activities should be reported as Partnership or official time. Official time records should be revised to reflect these changes.

10. To comply with OPM's request for CY 1998 data on official time, SSA should establish a mechanism to evaluate the benefits and disadvantages of official time and its impact on SSA's service to the public.

AGENCY COMMENTS AND OIG RESPONSE

AGENCY COMMENTS

SSA provided comments concerning: (1) the report in general; (2) each specific recommendation; and (3) technical points and/or wording (see Appendix C for the full text of the Agency's comments).

1. Overall report -- On a general level, SSA believed the report should acknowledge the actions it has already taken to improve the accuracy of its official time reporting process, as well as acknowledge the impact of administrative case law decisions on the parameters in which the Agency must operate. To support this, SSA listed specific actions it had taken to improve the time reporting process. Also, SSA stated that many of our recommendations appear to ask the Agency to go beyond the constraints established by administrative case law.

2. Specific recommendations -- SSA generally agreed with all of the specific recommendations except for one which recommended that SSA revise its policies and procedures to clarify whether activities should be reported as Partnership or official time. SSA stated that the Commissioner already reviewed this issue and decided which activities should be considered Partnership activities, and that time spent on Partnership activities should not be reported as official time.

3. Technical points and/or wording- SSA provided several suggested technical or wording changes to various points in the report.

OIG RESPONSE

1. Overall general comments -- We revised the report to further acknowledge that SSA has taken certain actions to improve the accuracy of the time reporting process, such as providing guidance to supervisors and managers. In making these recommendations, our intent is to ensure compliance with the official time reporting requirements of the current collective bargaining agreements. If SSA is unable to implement our recommendations within the confines of the current agreements and the parameters set by administrative case law, it should address them during negotiations for future collective bargaining agreements. If such negotiations prove unsuccessful, SSA may wish to seek a legislative resolution.

2. Specific recommendations -- We disagree with SSA's implication that there is no further need to clarify/and or revise its polices and procedures regarding which activities are Partnership activities and which activities should be

reported as official time. We acknowledge that SSA has recently issued guidance as to which activities should be considered Partnership activities, and that Partnership activities should not be considered official time. We do not believe the guidance obviates the need for further clarification. For example, new instructions state that for work groups established by the Agency, there are unresolved issues concerning the classification of time for union representatives serving on a work group in a representational capacity. In fact, the guidance states that "this issue will be subsequently addressed." Also, the new guidance needs to be disseminated to all union representatives as well as supervisors and managers and incorporated into official time criteria instructions and forms.

Technical points and/or wording - our responses to each point are listed below.

A) In response to our statement that Partnership activities may or may not be considered official time, SSA requested that the report state this issue was clarified, and that the Commissioner decided that Partnership activities are not official time. We revised the report to clarify that Partnership activities may or may not have been considered official time for the period of our review but more recent guidance has attempted to clarify which activities should be considered official time, Partnership, or Agency duty time.

B) SSA requested that we state why we did not review OUTTS. We revised our report to indicate that we did not review OUTTS because it was still in a training environment during our field work and SSA had not fully implemented it until after our review ended.

C) SSA indicated that the reason its list of Local 1923 union representatives contained employees from other agencies is because Local 1923 does in fact represent employees in other Federal agencies. SSA simply provided what OIG requested. We revised the report to reflect this comment.

D) SSA requested we revise the report to indicate that the differences found in OHA official time data was partially due to the failure of OIG to include the data for two regions. We disagree. OIG requested SSA to resolve an unreconciled difference of 6,981 hours based on all of the information SSA provided to OIG for the OHA reported official time. To date, SSA has provided no information to explain the reasons for the unreconciled differences.

E) SSA requested we revise the report to indicate that, in the past, some Partnership activities were considered official time by some SSA components, but this issue had been clarified. We did not accommodate this request because the clarification was not applicable to the FY 1996 official time records under review.

APPENDICES

SSA OFFICIAL TIME FORMS

APPENDIX A

APPENDIX A

MONTHLY
HEADQUARTERS OFFICIAL TIME RECORD

OFFICIAL TIME RECORD

Month Year

Assistant Chief Steward or Steward

[1] Date (day/mo/yr)	[2] Union Activity	[3] Destination Union Office/Other	[4] Departure Time	[5] Return Time	[6] Cumulative Time (Enter under respective F1, F2 or other Column)		
					F.1	F.2	Other

Please enter the appropriate code to describe authorized Union activities in column 2 above (per Article 30, Appendix A)

F1-1 Mtg req by mgr/supr
F1-2 Mo & quarterly mtgs
F1-3 Approved joint committees
F1-4 Community service mtgs
F1-5 Observers at Arb hearings
F1-6 SSA sponsored training
F1-7 Other mtgs approve by DLR
F1-8 Mid-term negotiations
F1-9 Witnesses in FLRA investigations
F1-10 Appearance at other FLRA proceedings
F1-11 Arb-req (excluding adverse act & EEO)*
F1-12 Arb-supplemental*
F1-13 Arb-adverse actions*
F1-14 Arb-EEO complaints*

*Includes preparation and presentation time.

F2-1 Union req mtg with mgr/supr
F2-2 Griev-negot proced (potential/formal)

Other
0-1 Merit Systems Protection Board Proceeding
0-2 Statutory EEO Proceeding
0-3 HHS Proceeding

Signature Immediate Supervisor Date

APPENDIX A

_____
UNION RECOGNITION

_____ _____
COMPONENT/OFFICE PERIOD

SUPERVISOR'S REPORT ON USE OF OFFICIAL
TIME FOR REPRESENTATIONAL FUNCTIONS

		Time
Category I	-- Bargaining	_____
Category II	-- Federal Labor Relations Authority and Merit Systems Protection Board Proceedings	_____
Category III	-- Equal Employment Opportunity Commission Proceedings	_____
Category IV	-- Management-Filed Grievances	_____
Category V	-- Travel Time for Any of the Above	_____
Category VI	-- Union-Initiated Grievances and Other On-Going Labor-Management Relations	_____
Category VII	-- Travel and Per Diem Expenses	_____

NOTE: Time and Expense is to be Reported by the Component/Office to which the employee is assigned

THIS DOCUMENT CONSTITUTES INTRAMANAGEMENT COMMUNICATIONS COVERING SUBJECTS DIRECTLY RELATED TO COLLECTIVE BARGAINING. UNDER TERMS OF 5 U.S.C. 7114(b) (4), ITS CONTENTS MUST NOT BE DISCLOSED TO BARGAINING UNIT EMPLOYEES OR THEIR REPRESENTATIVES.

OFFICIAL TIME REPORTING PROCESS – FIELD OFFICES

OFFICIAL TIME FORM

NAME		OFFICE		DO CODE	
				REGION	
DATE(S)	FROM: TO:	TIME	FROM: TO:	COUNCIL	
				LOCAL	

LOCATION TO WHICH GOING:				TIME USED	
BANK TIME:	HOURS	MINUTES			
Local BA					
Regional BC					
National BD				HOURS	MINUTES
Total Bank Time Used: BE					
NON-BANK TIME:					
Mid-Term Consultation/Bargaining : AB					
Term Bargaining : AC					
FLRA and MSPB Proceedings : AD					
EEO Formal Complaints : AE					
Management-Filed Grievances : AF					
Travel Time : CA					
Total Bank and Non-Bank Time Used: CB					

UNION OFFICIAL'S SIGNATURE	DATE

REASON (To be completed by the supervisor if not granting time)

SUPERVISOR'S SIGNATURE	DATE

TO BE COMPLETED BY THE UNION ON THE UNION COPY

NAME OF PERSON CONTACTED (or on whose behalf)

SUBJECT	INITIAL 75

OFFICE OF HEARING AND APPEALS/ROPIR – OFFICIAL TIME PROCESS

OFFICIAL TIME FORM	Complete all items in Section I in quadruplicate and give all copies to your immediate supervisor. You must receive an approved copy of this form before leaving your work site.

SECTION I

1. NAME OF UNION OFFICIAL	2. MODULE/BRANCH/DISTRICT/OTHER	3. SECTION
4. TIME FROM: TO:		DATE

5. NATURE OF BUSINESS:

6. LOCATION TO WHICH GOING

7. SIGNATURE OF UNION OFFICIAL	DATE

SECTION II

8. REASON *(To be completed by the supervisor, if not granting time)*

9. SIGNATURE OF IMMEDIATE SUPERVISOR	DATE

SECTION III

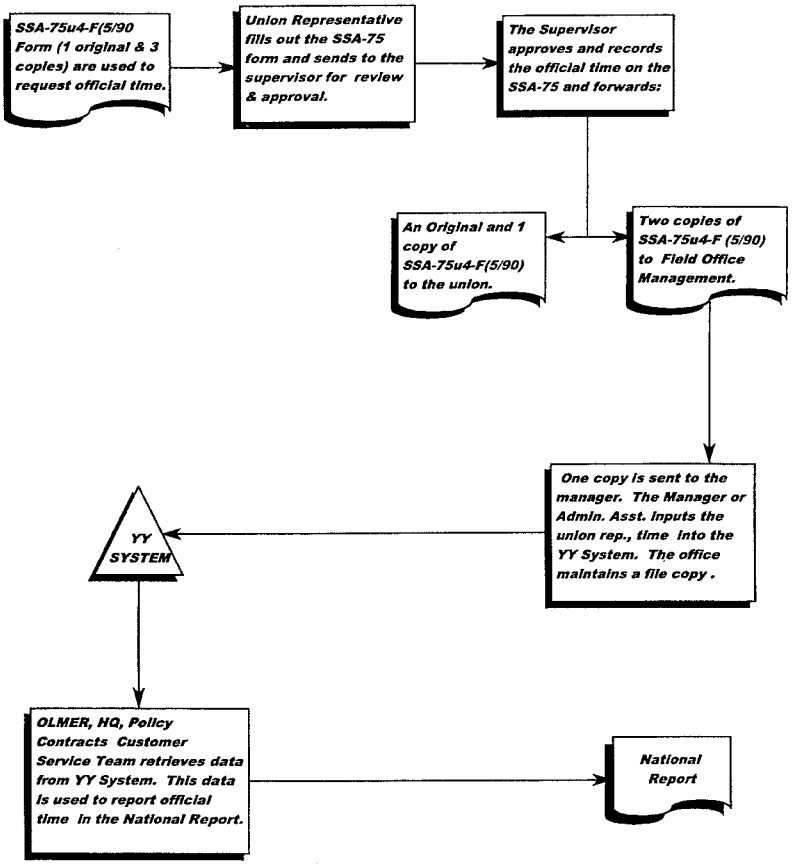
To Be Completed by the Union Local On the Union Copy:

10. NAME OF PERSON TO BE CONTACTED	11. NAME OF PERSON ON WHOSE BEHALF CONTACT IS MADE

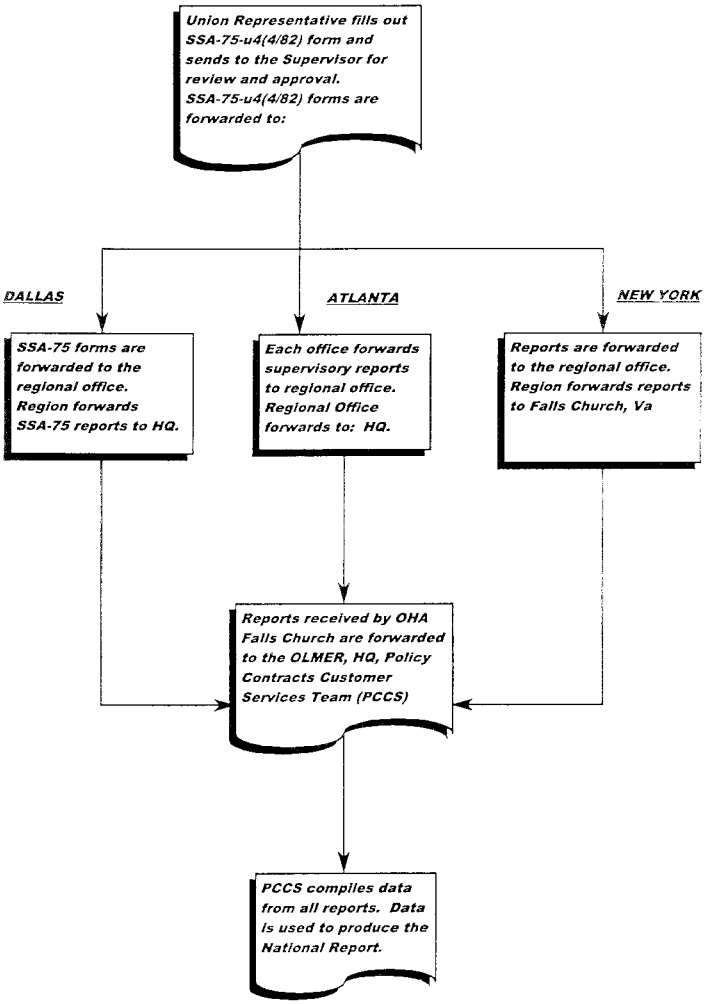
APPENDIX B

OFFICIAL TIME REPORTING FLOWCHARTS

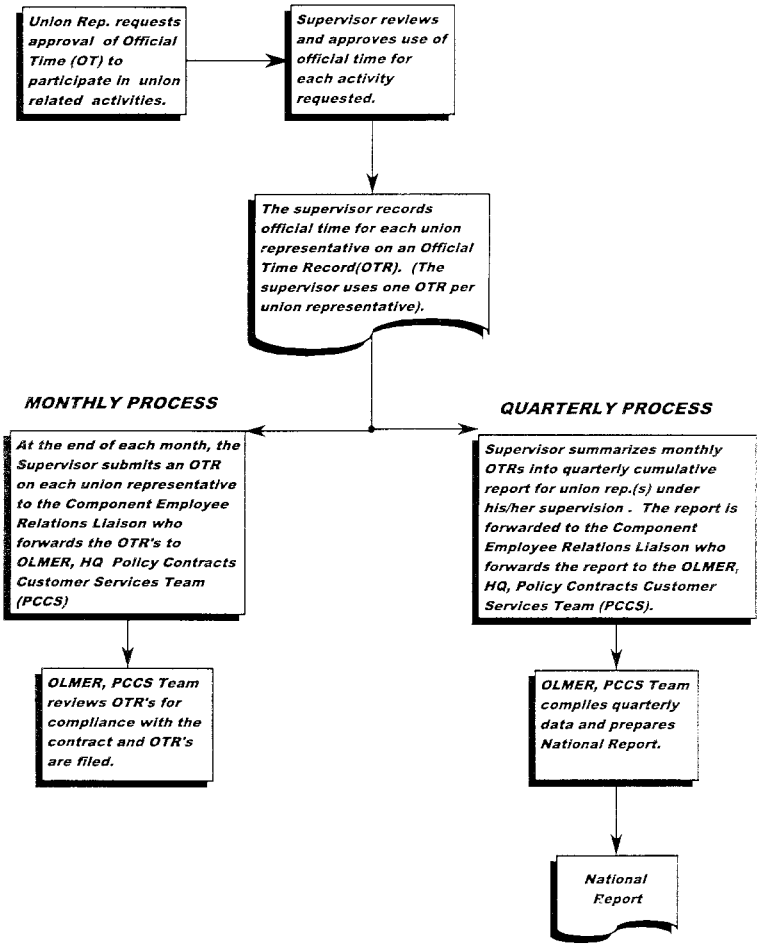
OFFICIAL TIME PROCESS FOR FIELD OFFICES



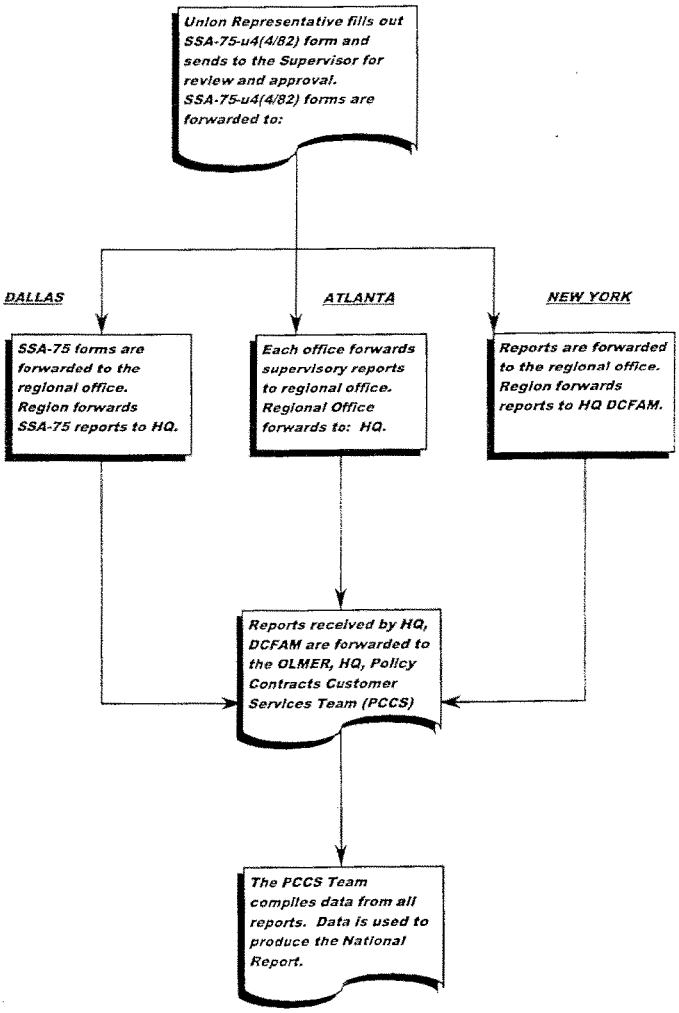
OFFICE OF HEARINGS AND APPEALS (FIELD)



HEADQUARTERS OFFICIAL TIME PROCESS



REGIONAL OFFICE OF PROGRAM INTEGRITY AND REVIEW



AGENCY COMMENTS

SOCIAL SECURITY

MEMORANDUM

Date: June 12, 1998

Refer To: S1J-3

To: David C. Williams
Inspector General

From: Kenneth S. Apfel Kenneth S. Apfel
Commissioner of Social Security

Subject: Office of the Inspector General Draft Report, "Review of the Use of Official Time for Union Activities at the Social Security Administration" (A-13-97-72013)--INFORMATION

Attached are our comments to the draft report. Staff questions may be referred to Barbara Doering on extension 52290.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "REVIEW OF USE OF OFFICIAL TIME FOR UNION ACTIVITIES AT THE SOCIAL SECURITY ADMINISTRATION" A-13-97-72013

Thank you for the opportunity to review and comment on the report that resulted from your examination of the Social Security Administration's (SSA) official time records for fiscal year (FY) 1996. You attempted to determine whether official time is being used in compliance with laws, regulations and collective bargaining agreements. Your report also attempts to ascertain whether SSA produces reliable information to determine the costs of official time.

However, the report does not acknowledge the actions that SSA has taken over the past two years to improve the accuracy of the official time reporting process. Nor does it acknowledge the impact of decisions made by arbitrators and the Federal Labor Relations Authority (FLRA) on the parameters in which the Agency must operate. We believe that the report should address both of these issues.

First, the report takes into account only SSA's past manual union official time collection system without recognizing the new automated Official Union Time Tracking System (OUTTS) which will eliminate the errors that the OIG identified in the Agency's manual reporting system. SSA worked with managers and the American Federation of Government Employees (AFGE) to put OUTTS in place in all 10 regions in the field in February 1998.

Additional actions that SSA has taken to improve the accuracy of official time reporting are:

* Responded to questions raised by managers by issuing significant guidance on official time issues in December 1997. This eight page "Question and Answer" package has been well received by managers and has served to resolve a number of their questions about the process.

* Made significant progress, in working with AFGE in headquarters, to establish a new official time reporting system for its union officers.

* Emphasized the importance of accurate reporting of official time to executives and managers through conference calls and presentations at numerous managers' meetings and conferences.

We believe that the report should note that the practice of granting official time is not unique to the Federal government, but has long been established in the private sector.

Second, since the enactment of the Federal Service Labor-

Management Relations Statute in 1978, official time has been an integral part of Federal labor-management relations and the Federal sector collective bargaining process. Subsequent arbitrator decisions and decisions of the FLRA have further defined the parameters within which SSA must operate. These decisions constitute case law that governs the Agency's obligation concerning official time. Many of the recommendations in the report appear to ask the Agency to go beyond the parameters established by case law. We ask that OIG address this factor also in its report.

Our comments to specific OIG recommendations follow:

Recommendation

Maintain accurate, up-to-date listings of union representatives (UR) to ensure that:

a) Supervisors only approve requests for the use of official time for authorized URs; and

b) The number of authorized URs does not exceed the limitations specified in the collective bargaining agreements at any given time.

Comments

SSA agrees with the need for maintaining accurate lists of URs. We have the responsibility to ensure that only authorized URs use official time and that the number of representatives does not exceed the limitation in the contracts.

The list of representatives is fluid. The union has the right to designate its representatives and frequently has the need to name a UR to provide representational services on a short-term basis. This fluidity is necessary to accommodate turnover for reasons such as employee relocation, resignation, retirement and redesignation of those authorized to use official time among the individuals who serve as URs.

Since January 1997, SSA has worked with its components and regions to collect accurate up-to-date listings of URs on a quarterly basis rather than semi-annually. These lists identify both active and inactive URs along with the percentage of official time used. We will continue to ensure that the lists are maintained to accurately reflect URs. The most recent list compiled was for the quarter ending March 1998.

The Office of Labor-Management and Employee Relations (OLMER) will be responsible for maintaining the lists and for making

changes based on information provided by the union or reported by labor relations staff in the regions. OLMER will distribute copies of the lists to labor relations staff in all SSA components in an effort to further ensure their accuracy. In addition, OUTTS, which was implemented in February 1998 for Field Council URs, will also identify active and inactive union representatives.

OUTTS is an automated system that tracks use of official time and official bank time balances at the UR level. It will enable SSA to monitor time spent on union activities by individual URs and ensure time spent on certain activities is not excessive. Users will be able to query the system for account balances and will be able to reallocate hours among URs. The system will also alert users when certain preset conditions arise; e.g., when a UR is within 20 percent of exhausting his/her allocation of official time.

In future releases, OUTTS will enable SSA to make customized queries from the system. For example, an upcoming release will enable SSA to conduct an internal check on official time recording activities by differentiating between non-reporting field offices and reporting field offices. In a different OUTTS release to follow, a menu of administrative reports will be available. This menu will allow users to limit reports to specified regions or union locals. For example, a list of all users including each user's percentage and/or number of official time hours for region "X" will be easily available.

Recommendation

Improve its management oversight to help determine whether official time is being used for appropriate activities and appropriate amounts of time. To accomplish this objective SSA should:

a) Instruct supervisors to have official time forms filled out as precisely as possible using existing codes and sub-codes where applicable. If more diligent completion of the official time forms still does not enable supervisors to make an informed decision as to the appropriateness of the activity or time requested or used for that activity, SSA should pursue revisions of the form to that end;

b) Instruct supervisors of National Treasury Employees Union representatives to use the prescribed official time forms;

c) Remind all supervisors that official time must be approved in advance of its usage; and

d) Periodically verify a sample of official time used to ensure that official time records are accurate.

Comments

SSA will remind supervisors of the importance that the appropriate forms are completed to accurately account for official time. We will also audit samples of the completed official time request forms to ensure that official time records are accurate.

The Federal Service Labor-Management Relations Statute, enacted in 1978, provides that any employee representing a labor organization "shall" be granted official time. As a consequence of this broad congressional directive, official time is an integral part of Federal labor-management relations and the Federal sector collective bargaining process for the last 20 years. The parameters delineating how, when and for what purposes official time may be used have been established and then refined by numerous arbitrator and FLRA decisions. These decisions have restricted management discretion in approving or denying official time requests, as well as management's authority to elicit detailed information about the nature of those requests. However, managers can, and do, request postponement of the use of official time due to workload considerations.

The arbitrator and FLRA decisions constitute case law that is binding on SSA. This case law establishes the fundamental criteria for management and labor in substantiating requests for official time. In view of this case law, SSA is not free to question official time use in the manner and to the extent recommended by the OIG.

Recommendation

Monitor the coding or categorizing of the type of UR activity so that activities that have limits are not improperly reported as an unlimited activity. To accomplish this objective, SSA should require that information on the official time record specify the type of activity be completed and periodically test such records for accuracy.

Comments

SSA will implement this recommendation consistent with law, contract provisions and arbitrator decisions as mentioned above. We will continue to provide guidance to supervisors of URs on official time issues, including the categorization of activities when reporting official time.

The Office of Labor-Management and Employee Relations will conduct regularly scheduled, national conference calls on official time. The purpose of these calls will be to coordinate official time questions, issues and concerns Agency-wide, and to identify established "best practices" that could benefit the entire SSA. Common, day-to-day official time issues, in addition to the Agency's official time policies and procedures, will be discussed on the conference call.

Recommendation

Improve procedures to better ensure that allegations or suspicions of abuse are resolved in a timely manner. Procedures should address timeframes for union cooperation in providing requested documents, a specific document retention schedule for union copies of official time forms and a process to address situations where timeframes are not met or the union does not cooperate. Also, supervisors should be advised of the disposition of their referrals whenever appropriate, and all URs should be required to sign their official time records attesting to their accuracy.

Comments

SSA is committed to ensuring that allegations of suspected abuse are addressed. Article 30 of the National Agreement contains procedures for handling alleged abuses of official time. In addition, the Deputy Commissioner for Human Resources incorporated additional guidance to reinforce contract provisions for dealing with suspected abuse in letters sent to supervisors and managers on April 2, 1996 and December 8, 1997.

SSA will remain vigilant in addressing suspected abuse. We will also implement procedures for ensuring that managers are advised of the disposition of their referrals of suspected abuse situations to avoid the possibility of creating a perception that the referral was not appropriately resolved.

Recommendation

Improve controls to ensure that official time data are complete. There should be confirmation of receipt when official time reports are submitted. Also a followup by appropriate labor relations staff should be required for any period in which a report was not filed.

Comments

SSA agrees with this recommendation and has taken various steps

through the years to better ensure that official time is reported completely and accurately.

We believe OUTTS which was implemented in February 1998 will be a major step forward in improving controls over official time. We are pursuing enhancements to the OUTTS that will enable it to furnish confirmation of the receipt of reports and provide alerts to OLMER when a report has not been received.

Recommendation

Improve controls to ensure that official time records are accurately summarized and reported. To accomplish this objective, SSA should:

a) Reconcile individual official time records to summary reports and reconcile component and/or regional summary reports to the agency-wide report before it is provided to the Office of Personnel Management and Congress;

b) Compare official time records that have been submitted by supervisors to any records that may have been previously reported or calculated into the totals to identify duplicate reporting of official time; and

c) Compare official time records to the amounts summarized in the automated system (YY system) for processing official time.

Comments

SSA agrees with the need to ensure that official time records are accurately summarized and reported.

As noted in the report, the process of reconciling individual reports is tedious. However, SSA is committed to improving the accuracy of information on official time. As already mentioned, OUTTS should minimize errors in summarizing official time used in field components. (Note: The OUTTS system covers 75 percent of the URs in the Agency.) For components other than field offices, SSA is considering alternative methods for ensuring accurate reporting. For example, a recent automation effort undertaken by OLMER has provided the capability for summarizing official time information on spreadsheets. Once finalized, this process should prevent duplication and minimize mathematical errors.

Recommendation

Establish a uniform retention policy for official records. These

source documents need to be maintained to verify the data on official time records and may be necessary to resolve any allegations or suspicions of misuse.

Comments

SSA agrees with this recommendation and will establish a uniform policy for retention of official time records.

Recommendation

Develop policies and procedures to ensure official time is consistently reported for union officers. This will correct the inconsistent reporting which has caused an overstatement of the salary costs for some union officers.

Comments

SSA has been working with URs to see that official time is consistently reported and will develop policies and procedures to ensure union officers' time is consistently reported.

Recommendation

Revise its policies and procedures for reporting Partnership time so that union representatives, as well as SSA supervisors, know which Partnership activities should be reported as official time.

Official time records should be revised to reflect these changes.

Comments

We do not agree with this recommendation. In the past, time spent on Partnership activities was considered in some SSA components to be official time. The Commissioner asked that this issue be reviewed and clarified for the Agency as a whole. Based upon this review, the Commissioner has determined that time spent on Partnership activities should not be considered official time. That decision was based on the conclusion that Partnership activities do not constitute the type of representational activity defined in the Federal Labor-Management Relations Statute. Partnership is a new form of labor-management relationship created by Executive Order 12871 and is intended to enhance an agency's operations by integrating the views of employees, union members and others into the daily business practices of the agency.

A new reporting system to record time expended on Partnership activities by managers, union officials and employees was

established in January 1998. Partnership activities include Partnership training; travel to and from Partnership meetings and training; and attendance at Partnership Council meetings, including preparation, follow up time, and attendance at subcommittee meetings.

Recommendation

Establish a mechanism to evaluate the benefits and disadvantages of official time and its impact on SSA's service to the public. This evaluation should be submitted to the Congressional Appropriations Committees along with information on the hours and associated costs of official time.

Comments

Consistent with the House Appropriations Committee's report language on FY 1998 appropriations, SSA provided such information in its report to the Congress on FY 1997 official time costs and will continue to report this information in the future, if so requested. In addition, the Office of Personnel Management is coordinating a government-wide report on official time costs, including benefits and disadvantages. SSA is participating in that effort.

Technical Comments

Page ii (First full paragraph, last sentence) and 2 (Last sentence)

"The hours spent on Partnership activities by union representatives may or may not be considered official time."

In the past, time spent on Partnership activities was considered in some SSA components to be official time. The Commissioner asked that this issue be reviewed and clarified for the Agency as a whole. Based upon this review, the Commissioner has determined that time spent on Partnership activities should not be considered official time.

Page 5 (Last sentence)

"We were unable to review OUTTS because SSA had not implemented it until after our review ended."

OUTTS was fully implemented by February 1998. OIG was provided the opportunity to test OUTTS in a training environment.

Page 8 (Last paragraph, second sentence)

"The list SSA initially provided contained union representatives from other Federal agencies."

OIG originally requested a list of Local 1923 URs. Local 1923 represents employees in SSA and in other Federal agencies which is why the list contained URs from other agencies. When OIG clarified its request, SSA provided a list of SSA representatives.

Page 18 (Second sentence)

"We provided the information to OLMER, but it was unable to determine the reasons for the differences in reported official time hours."

The difference between the amounts reported by SSA and the amounts arrived at by OIG was partially due to the failure of OIG to include the data for two regions.

Page 20 (Last paragraph, second sentence)

"However, there was a lack of clear policy as to how much, if any, time spent on Partnership activities by URs constituted official time and should have been reported accordingly."

In the past, time spent on Partnership activities was considered in some SSA components to be official time. The Commissioner asked that this issue be reviewed and clarified for the Agency as a whole. Based upon this review, the Commissioner has determined that time spent on Partnership activities should not be considered official time. Partnership activities include Partnership training; travel to and from Partnership meetings and training; and attendance at Partnership Council meetings, including preparation, follow up time, and attendance at subcommittee meetings.

SSA implemented a new reporting system to record time expended on Partnership in January 1998. Prior to implementation and on an on-going basis, the Office of Labor-Management and Employee Relations has provided guidance on how to implement the new system, including the distinctions to be made among official time, Partnership time and labor relations activities.

APPENDIX D

MAJOR REPORT CONTRIBUTORS

Office of the Inspector General

E. Scott Patterson, Director, Evaluations and Technical Services

Carl K. Markowitz, Audit Manager, Headquarters

Brian Pattison, Deputy Director, Region VI

James J. Klein, Auditor-in-charge, Headquarters

Lela Cartwright, Auditor-in-charge, Regions

Gerald L. Hockstein, Program Analyst

Sandra Westfall, Program Analyst

Phil Horsley, Auditor

Sterlin McGruder, Auditor

Robert Blake, Auditor

Stephen Liebman, Auditor

Arthur Treglia, Auditor

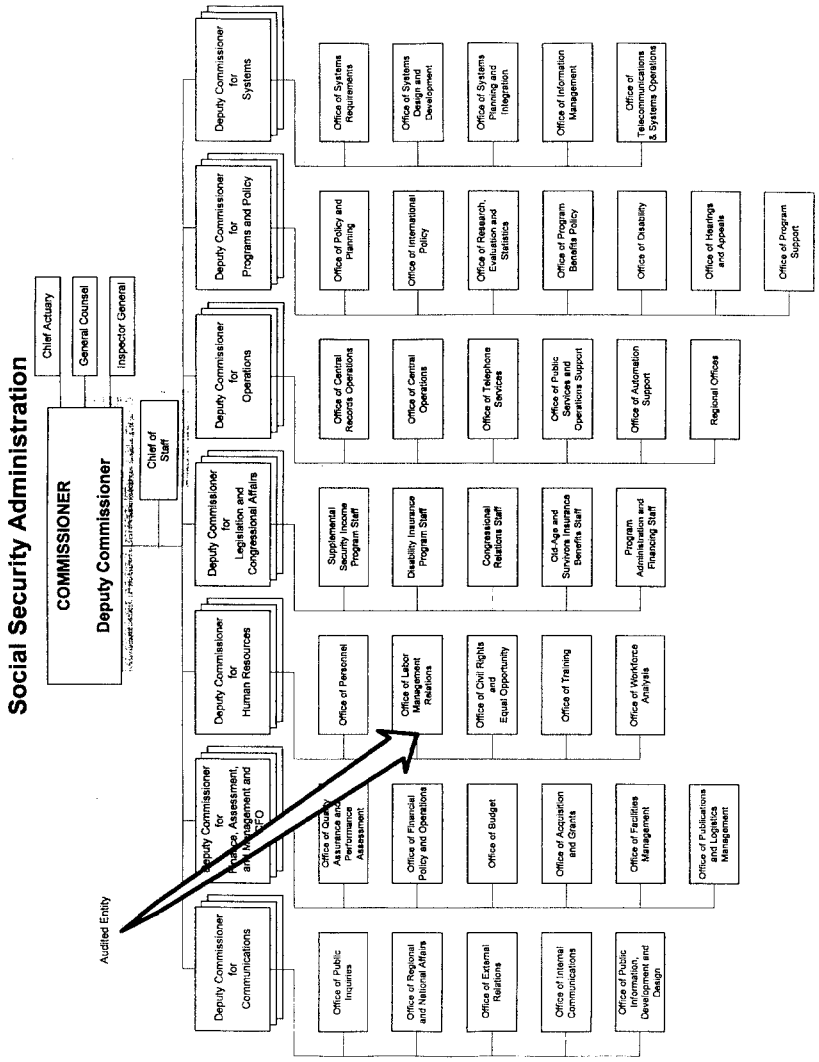
Ellen Justice, Auditor

Shable Benefield, Auditor

For additional copies of this report, please contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-9135. Refer to Common Identification Number A-13-97-72013,

APPENDIX E

SSA ORGANIZATIONAL CHART



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Subcommittee on Social Security	2

	Page 2
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Vice Chairman, Subcommittee on Government Management Information and Technology	1
Senate Special Committee on Aging	1
President, National Council of Social Security Management Associations, Inc.	1
Treasurer, National Council of Social Security Management Associations, Inc.	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	**82**

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is organized into five components:

Office of Investigations

The Office of Investigations conducts and coordinates investigative activity related to fraud, waste, abuse and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. The Office of Investigations also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of Audit

The Office of Audit conducts comprehensive financial and performance audits of SSA's programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. The Office of Audit also conducts short-term management and program evaluations focused on issues of concern to SSA, the Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Management Services

The Office of Management Services supports the OIG components by providing budget, procurement, telecommunications, facilities and equipment, human resources, information resources management, and systems security. OIG also is responsible for and coordinates the OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act; public affairs; interagency activities; OIG reporting requirements and publications; and responses to congressional inquiries.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

PARTNERSHIP ACTIVITIES AT THE SOCIAL SECURITY ADMINISTRATION

July 1998 A-13-98-72023

EVALUATION REPORT

Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

SOCIAL SECURITY
Office of the Inspector General

MEMORANDUM

Date: JUL 10 1998

Refer To:

To: Kenneth S. Apfel
Commissioner of Social Security

From: Acting Inspector General

Subject: Evaluation of Partnership Activities at the Social Security Administration

The attached final report presents the results of our review of Partnership Activities at the Social Security Administration (A-13-98-72023). The objectives of this evaluation were to determine the extent of partnership activities at the Social Security Administration, how Partnership results are measured, and how time devoted to Partnership is tracked.

You may wish to comment on any further action taken or contemplated on our recommendations. If you choose to offer comments, please provide them within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Pamela J. Gardiner, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of this evaluation were to determine the extent of Partnership[1] activities at the Social Security Administration (SSA), how Partnership results are measured, and how time devoted to Partnership is tracked.

BACKGROUND

Congress requested that the Office of the Inspector General (OIG) conduct an in-depth review of union activity at SSA to follow-up on previous General Accounting Office (GAO) work.[2] To further clarify the request, we met with staff members of the Subcommittee on Social Security, House Committee on Ways and Means (Subcommittee). The Subcommittee staff expressed an interest in the impact of Partnership on Agency operations and the reporting of time devoted to Partnership activities. In addition, the Subcommittee requested that OIG verify SSA's assertions that Partnership had reduced grievance and unfair labor practice filings.

OIG announced plans to evaluate SSA union activities, including Partnership, on February 10, 1997, and was met with strong resistance from the American Federation of Government Employees (AFGE). AFGE believed that this evaluation was "ill-advised" and not within the scope of the Inspector General's (IG) mandate.

When we began our evaluation, SSA had neither conducted its own evaluation of Partnership nor developed an inventory of its Partnership activities. On April 15, 1997, the National President of AFGE sent a letter to Acting Commissioner John Callahan requesting that a joint evaluation of Partnership be conducted by AFGE and SSA management. Acting Commissioner Callahan agreed and convened a meeting with SSA management and AFGE to discuss a joint evaluation of progress and improvements in organizational performance resulting from SSA Partnership activities.

---

[1] Executive Order 12871, signed by President Clinton on October 1, 1993, articulated a new vision of labor-management relations, called "Partnership" that required agencies to involve employees as full partners with management to identify problems and craft solutions to better fulfill the agency's mission and serve its customers.

[2] GAO Report, *Social Security: Union Activity at the Social Security Administration* (GAO/HEHS-97-3, October 2, 1996).

In July 1997, SSA established the Partnership Evaluation Team (PET) to design and conduct an evaluation of SSA Partnership. The team was charged with compiling the first agencywide inventory of Partnership initiatives and identifying: 1) progress and improvements in organizational performance, 2) Partnership successes for use as future models, and 3) where Partnership was not working and make recommendations for improvement. SSA's *Evaluation of Partnership* report was issued in March 1998. Because of SSA's undertaking of this project, we informed the Subcommittee that we planned to revise our approach and review SSA's Partnership inventory so that we did not duplicate SSA's efforts.

As part of our overall analysis of SSA's inventory, we selected a random sample of 9 activities from SSA's inventory of 1,537 activities for further review. We interviewed individuals who participated in these activities, with the exception of union participants on two of the activities who did not cooperate with our evaluation. In addition, we reviewed relevant Partnership Council meeting minutes and studies, reports, laws, and regulations related to Partnership. We interviewed Agency management, PET's team leader, and other Federal officials who were knowledgeable about union activity in the Federal sector. We also reviewed available Agency performance data that has been linked to Partnership and employee guidance on reporting time devoted to Partnership.

RESULTS OF REVIEW

- ***DEFINITION OF "PARTNERSHIP" AND RELATED ACTIVITIES IS UNCLEAR***

- ***PARTNERSHIP ACTIVITIES INVENTORY IS QUESTIONABLE***

- ***SSA'S SYSTEMS DO NOT PROVIDE SUFFICIENT DATA TO SUPPORT PARTNERSHIP RESULTS OR ACCOMPLISHMENTS***

  SSA Needs to Develop a Formal System for Identifying the Accomplishments or Cost Savings Resulting from Partnership Activities

  We Could Not Conclude That a Connection Existed between Partnership and the Reduction in the Number of Grievances and Unfair Labor Practice Filings

- ***REPORTING OF TIME DEVOTED TO PARTNERSHIP ACTIVITIES HAS VARIED***

- ***EMPLOYEES MAY FIND NEW TIME-REPORTING GUIDANCE DIFFICULT TO FOLLOW***

- ***NEW GUIDANCE RAISES MORE QUESTIONS ABOUT SSA'S PARTNERSHIP INVENTORY***

CONCLUSIONS AND RECOMMENDATIONS

SSA's *Evaluation of Partnership* was the Agency's first attempt at quantifying the impact of Partnership on the Agency's mission and operations. However, some of the data that SSA's evaluation is predicated on are questionable because the Agency had not previously established sufficient accountability measures to track the associated costs and accomplishments resulting from Partnership activities.

To improve accountability and SSA's ability to perform future evaluations of Partnership, we recommend that SSA:

- develop a uniform definition of Partnership that is consistent with other Partnership-related guidance, such as the new time-reporting guidance, and ensure that this definition is communicated Agencywide;
- develop a formal system for identifying and maintaining Partnership accomplishments and cost savings that result from Partnership activities;
- determine whether employees are complying with the Agency's time-reporting guidance and determine whether clarification of the guidance is necessary; and
- develop a consolidated guide of time-reporting policies and procedures for reporting time devoted to Partnership and other union-related activities.

AGENCY COMMENTS

SSA believed that many of OIG's conclusions and recommendations were based on a misunderstanding of the nature of Partnership and premised on the false notion that Partnership activities can be separated or distinguished from normal Agency business. SSA disagreed with OIG's perception that SSA's inventory of Partnership activities was questionable, and also disagreed with OIG's conclusion that the data did not support SSA's contention that the number of grievances and unfair labor practices (ULP) decreased due to Partnership. Also, SSA disagreed with OIG's recommendation to develop a formal system to identify Partnership results. SSA generally concurred with OIG's recommendations to clarify and consolidate time-reporting guidance and determine compliance.

OIG RESPONSE

OIG does not agree with SSA's contention that Partnership activities cannot be separated or distinguished from Agency business. In fact, SSA has already provided guidance to do just that. OIG disagrees with SSA's belief that its inventory of Partnership activities was not questionable. We found that employees

had different interpretations of which activities constituted Partnership, and that this resulted in inconsistent reporting. OIG does not agree with SSA's contention that a decrease in the number of grievances and ULPs established a pattern to support the position that the decrease was due to Partnership. The data lacked a comparative analysis which could support a causative role to Partnership. Lastly, OIG does not agree with SSA's position that Partnership is not amenable to qualitative analysis. We believe that SSA needs to establish guidelines for measuring the results of Partnership.

TABLE OF CONTENTS

Page

EXECUTIVE SUMMARY i

INTRODUCTION 1

RESULTS OF REVIEW 6

DEFINITION OF "PARTNERSHIP" AND RELATED ACTIVITIES IS UNCLEAR 6

PARTNERSHIP ACTIVITIES INVENTORY IS QUESTIONABLE 7

SSA'S SYSTEMS DO NOT PROVIDE SUFFICIENT DATA TO SUPPORT PARTNERSHIP RESULTS OR ACCOMPLISHMENTS 9

- SSA Needs to Develop a Formal System for Identifying the Accomplishments or Cost Savings Resulting from Partnership Activities 9
- We Could Not Conclude That a Connection Existed between Partnership and the Reduction in the Number of Grievances and Unfair Labor Practice Filings 9

REPORTING OF TIME DEVOTED TO PARTNERSHIP ACTIVITIES HAS VARIED 11

EMPLOYEES MAY FIND NEW TIME-REPORTING GUIDANCE DIFFICULT TO FOLLOW 11

NEW GUIDANCE RAISES MORE QUESTIONS ABOUT SSA'S PARTNERSHIP INVENTORY 13

CONCLUSIONS AND RECOMMENDATIONS 14

APPENDICES

APPENDIX A - OIG Analysis of SSA's Partnership Inventory
APPENDIX B - Sampled Partnership Activities
APPENDIX C - Reporting Time Devoted to Partnership - Decision Process
APPENDIX D - Agency Comments
APPENDIX E - Union Response Comments
APPENDIX F - Major Contributors to This Report
APPENDIX G - SSA Organizational Chart

INTRODUCTION

OBJECTIVE

The objectives of this evaluation were to determine the extent of Partnership activities at SSA, how Partnership results are measured, and how time devoted to Partnership is tracked.

BACKGROUND

Congress requested that OIG conduct an in-depth review of union activity at SSA to follow-up on previous GAO work. To further clarify the request, we met with staff members of the Subcommittee. The Subcommittee staff expressed an interest in the impact of Partnership on Agency operations and the reporting of time devoted to Partnership activities. In addition, the Subcommittee requested OIG to verify SSA's assertions that Partnership had reduced grievance and unfair labor practice filings.

Evolution of Partnership at SSA

On October 1, 1993, President Clinton issued Executive Order 12871, which articulated a new vision of labor-management relations, called "Partnership." This new labor-management partnership was to champion change in Federal agencies and achieve the goals of the National Performance Review's (NPR) Government reform objectives.

Partnership required that agencies involve employees and their union representatives as full partners with management to identify problems and craft solutions to better fulfill the agency's mission and serve its customers. Agencies were to form labor-management councils and train employees and management in consensual methods of dispute resolution, such as alternative dispute resolution techniques and interest-based bargaining approaches. The Executive Order required that agencies evaluate progress and improvements in organizational performance resulting from labor-management partnerships.

The Executive Order also created a National Partnership Council (NPC) to establish a new form of labor-management relations throughout the Executive Branch and to promote the principles and recommendations adopted as a result of NPR. NPC is comprised of management and union representatives from various agencies and

labor organizations who advise the President on labor-management relations in the Executive Branch. NPC's responsibilities include: supporting the creation of labor-management partnerships and promoting partnership efforts in the Executive Branch; collecting and disseminating information about, and providing guidance on, partnership efforts; and using the expertise of individuals both within and outside the Government to foster partnership arrangements.

SSA's National Partnership Council

On June 22, 1994, SSA entered into a National Partnership Agreement with AFGE and established its own 16-member NPC. Membership is divided equally between SSA and AFGE. The NPC's purpose is to design, implement, and maintain within SSA a cooperative, constructive working relationship between labor and management and to identify problems and craft solutions. It is intended to improve SSA's service delivery, help SSA's leadership make better decisions, deal with agencywide issues, and generate guidance for lower-level Partnership Councils.

SSA Partnership Councils

Partnership Councils have also been formed within SSA at the Deputy Commissioner level at the central office in Baltimore, Maryland, and at the Regional Commissioner levels. The Deputy Commissioner Councils include the Offices of the General Counsel; Human Resources; Operations; Finance, Assessment and Management; Programs and Policy,[3] and Systems. Formal Partnership Councils exist in 7 of SSA's 10 regions.

Evaluation of Partnership at SSA

OIG announced its plans to evaluate union activities, including Partnership, on February 10, 1997, and was met with strong resistance from AFGE. AFGE believed that our evaluation was "ill-advised" and not within the scope of the IG's mandate.

When we began our evaluation, we learned that SSA had neither conducted its own evaluation of Partnership nor developed its own inventory of Partnership activities. On April 15, 1997, John N. Sturdivant, National President of AFGE, recommended that former Acting Commissioner John J. Callahan request that NPC jointly evaluate the progress and improvements in organizational performance resulting from SSA Partnership activities. Commissioner Callahan concurred with Mr. Sturdivant's recommendation and requested a meeting to discuss a joint

[3] The Office of Programs and Policy has been renamed the Office of Disability and Income Security Programs.

evaluation of Partnership. On June 26, 1997, a special meeting of NPC was held, and members commissioned a joint evaluation of Partnership to chart SSA's progress and set the stage for the future.

First Agencywide Inventory of Partnership

In July 1997, NPC established PET to design and conduct an evaluation of SSA Partnership. The team was charged with compiling the first agencywide inventory of Partnership initiatives and soliciting input from various sources, such as Partnership Councils, work teams, managers, union representatives, and others who used Partnership principles. The team was to identify 1) progress and improvements in organizational performance, 2) Partnership successes for use as future models, and 3) where Partnership was not working and make recommendations for improvement. Because of SSA's undertaking of this project, we informed the Subcommittee that we planned to revise our approach and review SSA's Partnership inventory so that we did not duplicate its efforts.

For its evaluation of Partnership, PET developed a standardized form to solicit information on Partnership activities conducted since the issuance of Executive Order 12871 in 1993. All major central office components and regional managers and employees were requested to supply activity data, such as project title, description, starting/ending dates, and contact names. The form also required that each activity be categorized in one or more of the following: customer service, labor-management relations, operational efficiency, quality of work life, cost savings, empowered employees, and reinvention/reengineering. An inventory was constructed from this input, and it served as the starting point for PET's evaluation.

PET also conducted surveys and interviewed employees, including SSA Partnership Council members. These data, coupled with the Partnership inventory, were used to evaluate the progress of Partnership. The final report, *Evaluation of Partnership*, was issued in March 1998.

Recent Time-Reporting Guidelines

In late 1997, SSA's NPC discussed how SSA should define Partnership activities and developed various instruments to be used to report time devoted to Partnership for employees and union representatives. NPC also worked to clarify a process for involving employees in workgroup activities. On December 16, 1997, the Agency issued guidance on reporting time devoted to Partnership for managers, employee volunteers, and facilitators. Subsequently, on January 23, 1998, SSA issued additional instructions on time-reporting requirements for union designees.

Other Studies

GAO Report. In October 1996, GAO issued the report, *Social Security: Union Activity at the Social Security Administration* (GAO/HEHS 97-3). Congress asked GAO to look at the history of union involvement in the Government; the statutory basis for the Government to pay employee salaries and expenses for union activities; the amount of time spent on, and costs associated with, union activities at SSA; and how SSA accounts for this time and money. Regarding Partnership, GAO reported that SSA was just beginning Partnership activities, and that these limited activities were not routinely reported as such in SSA's union time-reporting system. GAO indicated that some of the time spent on Partnership activities was being reported in other activity categories, and, as Partnership activities increased, the time devoted to them would increase. However, GAO pointed out this increase would only become evident if SSA's time-reporting systems adequately designate this time.

OIG Reviews. In addition to our review of Partnership activities, OIG is conducting reviews of official time and employee observations on the use of official time. The following reports will be issued concerning these reviews:

- *Use of Official Time for Union Activities at the Social Security Administration* (A-13-97-72013);
- *Council 220 Union Representative and Manager Observations on the Use and Management of Official Time at SSA* (A-02-97-72002);and
- *Non-Council 220 Union Representative and Manager Observations on the Use and Management of Official Time at SSA* (A-02-98-02002).

SCOPE AND METHODOLOGY

To determine the extent of Partnership activities at SSA, how Partnership results are measured, and how time devoted to Partnership is tracked, we:

- conducted a literature review of relevant testimony and reports, including SSA's *Evaluation of Partnership* report, SSA/AFGE National Partnership Agreement, National Agreement between AFGE and SSA, Executive Orders related to Partnership, and other relevant laws and regulations;

- reviewed AFGE publications and guides on labor-management partnerships;

- interviewed PET's team leader to obtain information on the study design and data used to develop the draft report, *Evaluation of Partnership;*

- analyzed and categorized Partnership activities in SSA's Partnership inventory and contacted individuals for clarification of certain activities (see Appendix A for our categorization of the activities);

- selected a random sample of 9 Partnership activities from SSA's Partnership inventory of 1,537 activities because it was the only data available;

- conducted telephone interviews with employees who participated in our sampled activities (see Appendix B for a description of these activities);

- reviewed available meeting minutes from SSA's NPC;

- reviewed available charters, agreements, and/or meeting minutes from the Partnership Councils that were represented in our nine sampled Partnership activities: New York, Chicago, Atlanta, Deputy Commissioner for Systems, and the Office of Hearings and Appeals;

- reviewed the Office of Labor-Management and Employee Relations (OLMER) data and statistics on unfair labor practices and employee grievances filed before and after the implementation of Partnership;

- interviewed staff from the Federal Labor Relations Authority (FLRA) to obtain information on the impact of Partnership on unfair labor practices and grievances;

- interviewed SSA managers from OLMER regarding data on unfair labor practices and grievances; and

- reviewed SSA guidance for reporting official time and "Partnership time" by developing a flowchart of the decision process for reporting time devoted to Partnership activities.

Our scope was limited because four union participants chose not to cooperate in two of the sampled activities (see Appendix B).

Our evaluation was performed from February 1997 through February 1998 at SSA Headquarters in Baltimore, Maryland. The evaluation was conducted in accordance with the ***Quality Standards for Inspections*** issued by the President's Council on Integrity and Efficiency.

RESULTS OF REVIEW

We originally intended to evaluate Partnership and measure its effects on SSA's operations and goals. We planned to select several Partnership activities and evaluate the results and accomplishments of each activity. However, when we initiated our evaluation, we learned that SSA did not have an inventory of Partnership activities and had not performed an evaluation of Partnership. Therefore, we had no universe of activities from which to base our review.

Subsequently, SSA initiated an evaluation of Partnership and, as part of that effort, accumulated data from across the Agency to develop its first inventory of Partnership activities. We reviewed the methods used to accumulate the inventory and found that the inventory was potentially unreliable. The methods used could not ensure that all Partnership activities were identified, all activities were Partnership activities, or data in the inventory were accurate. Even SSA's *Evaluation of Partnership* report indicated that there was variation in the data received.

Also, we were unable to evaluate the implementation of SSA's recently issued time-reporting requirements for Partnership activities since the guidance had just been released during our field work. However, we did review the guidance and developed a flowchart to assess the decisionmaking process on how time devoted to Partnership is assigned and reported.

We found several areas of concern during our Partnership evaluation. In general, our concerns involve problems with the definition of Partnership and related activities, sufficiency of data to support Partnership results, and the usefulness of recently issued guidance about time devoted to Partnership activities.

DEFINITION OF "PARTNERSHIP" AND RELATED ACTIVITIES IS UNCLEAR

Partnership. Since the inception of Partnership, there have been recurring discussions among the members of SSA's Partnership Councils over the definition and implementation of Partnership throughout SSA. In our review of the councils' minutes, we found discussions of union and management addressing the differences between traditional labor-management relationship and true Partnership. We also found the councils discussing issues regarding the roles of union and

management, what Partnership includes, and how Partnership should work. However, we did not find any clear definition or closure resulting from these discussions.

SSA's *Evaluation of Partnership* also reported that Partnership participants believed that there was a lack of a uniform SSA-wide definition of Partnership. Participants were uncertain of union and management's roles and the responsibilities of each in Partnership. The report further states that there is still confusion about the process and procedural technicalities, e.g., the relationship of Partnership to the collective bargaining process and alternative dispute resolution procedures.

Related Activities. When we tried to determine whether employees understood what constituted a Partnership activity, we found evidence of several different definitions. For example, an employee we interviewed believed that a Partnership activity exists when management involves the union early in the decisionmaking process. Another employee believed that it was an activity where non-bargaining and bargaining unit employees worked together.

During our interviews with employees in our sampled activities, we found that guidance on Partnership was delivered in a variety of ways. Some employees mentioned they either received memorandums on Partnership, attended Partnership-related meetings, received interest-based bargaining training or received guidance during their involvement in workgroups. However, other employees indicated that they had never received or did not remember receiving any guidance; that they received Partnership-related training, but it was vague; or that only their manager had received Partnership training.

PARTNERSHIP ACTIVITIES INVENTORY IS QUESTIONABLE

The intent of Partnership was to involve employees and their union representatives as full partners with management. Together, they would identify problems and craft solutions to better fulfill the Agency's mission and serve its customers. When we reviewed the inventory of Partnership activities, we found it difficult to determine which activities met this intent. Since we found no clear definition of Partnership, it was not unexpected to find that SSA's inventory included a broad range of miscellaneous activities as shown in Table 1 (see Appendix A for our categorization of the activities in SSA's inventory). We question the usefulness of the diverse grouping of activities in assessing progress and measuring improvements resulting from Partnership.

Table 1: Examples of the Diversity of Reported Partnership Activities

Activity Title	Activity Description
Debt Modernization Project	Modernize and enhance debt management processes to conform to the Title II redesign.
Modular Furniture Installation	Continuing dialogue on furniture design, installation, seating assignment, and overall impact on employees.
Organizational Planning Team	Team chartered to develop options and recommendations for a new organizational structure based on a team-based policy development environment.
Interest-Based Bargaining (IBB) Training	The Regional Partnership Council agreed to promote IBB as the preferred manner of bargaining. Joint training was conducted for at least one management and one union official in each office in the region. A total of 280 persons were trained.
Awards Panel	Management/AFGE worked together to implement nationally and regionally negotiated awards procedures.
Overtime	The Partnership Committee met to determine the amount of overtime that should be requested for the remainder of Fiscal Year (FY) 1995.
Central Office and Other Visitors	Visitors such as Acting Commissioner Callahan, etc. are routinely introduced to local representatives during visits.
Security – Physical	Purchase of security mirror.

A potential reason for this diversity can be found in what employees were told to include as a Partnership activity. In our discussion with SSA management, they indicated that employees were instructed to include, along with "Partnership activities," any activities that used Partnership principles, in particular, interest-based bargaining. In our view, interest-based bargaining is a problem-solving process or technique that is used in making group decisions and does not qualify as an activity in and of itself. As such, activities that made use of interest-based bargaining should not necessarily be classified as a Partnership activity. Overall, without a clear definition of Partnership, SSA cannot properly classify its activities or quantify improvements in organizational performance.

SSA'S SYSTEMS DO NOT PROVIDE SUFFICIENT DATA TO SUPPORT PARTNERSHIP RESULTS OR ACCOMPLISHMENTS

SSA Needs to Develop a Formal System for Identifying the Accomplishments or Cost Savings Resulting from Partnership Activities

To comply with Executive Order 12871, SSA conducted an evaluation to determine progress and improvements in organizational performance resulting from labor-management partnerships. SSA used the Partnership inventory, coupled with interviews of Partnership Council members and surveys of employees involved in Partnership activities, to evaluate the progress of Partnership. In this evaluation, SSA reported accomplishments for several Partnership activities.

However, during our evaluation, we found no evidence of a formal system that was maintained to report on the accomplishments or improvements in organizational performance resulting from the labor-management partnerships. For example, we found that SSA's inventory of Partnership activities did not contain information on cost savings or benefits resulting from the activities. During our contacts with employees who participated in our sampled Partnership activities, we asked about the outcomes of the activities and whether monetary savings or other benefits resulting from the activity were compiled. We found that participants were not required, nor asked, to document either the accomplishments or organizational improvements that resulted from the partnering activity.

We Could Not Conclude That a Connection Existed between Partnership and the Reduction in the Number of Grievances and Unfair Labor Practice Filings

On June 27, 1996, SSA submitted a prepared statement to the Subcommittee[4] noting that Partnership had helped reduce the high costs associated with litigation of grievances.[5] Specifically, the prepared statement noted the following:

> ". . . we have seen a reduction in litigation, specifically unfair labor practice charges, from 467 charges in FY 1990 to 209 charges in FY 1995. The General Accounting Office previously estimated the cost to the federal Government to fully process one unfair labor practice as in excess of $28,000, so that the reduction represents a potential savings of over $7 million per year."

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[4] *Statement on Use of the Trust Funds for Union Activities, Commissioner of Social Security Before the Committee on Ways and Means Subcommittee on Social Security, United States House of Representatives,* June 27, 1996.

[5] Grievances are complaints filed by either an employee or labor organization concerning matters relating to the employment of any employee, the application of collective bargaining agreements, or violations or misapplications of any laws, rules, or regulations affecting conditions of employment.

We reviewed SSA's grievance and unfair labor practice[6] (ULP) data to determine whether support existed for the statements made by SSA. Based on our review of grievance and ULP data, we determined that the data SSA maintained were insufficient to draw such a connection. The data were incomplete, particularly before 1995, and did not provide sufficient detail to determine whether Partnership had reduced the number of grievances or ULPs. We also could not confirm whether the number of ULP filings reported by SSA were accurate and represented the total ULP filings for the Agency.

We discussed the lack of conclusive evidence with SSA management and informed them that we learned that, until recently, SSA had not established formal systems for accumulating grievance and ULP data. Management agreed that the data necessary "to prove the link" between Partnership and the reduction in grievances in ULPs did not exist before 1996. The Agency based its conclusion on the numerical reduction in grievances and ULPs rather than a detailed comparative analysis of grievances and ULPs past and present. However, management intuitively believed that Partnership has had a positive impact on the Agency and has made dealing with issues easier.

SSA management asked OIG to consider the findings included in a recent report, *Brief Technical Report on the National Partnership Council's 1997 Federal Sector Labor Relations Climate Survey.*[7] Management believed that this study, along with previous reports issued by the Governmentwide NPC, has shown the benefits of Partnership. In reviewing this survey, we found no evidence of an analytical review of grievance or ULP data or other related information that could demonstrate that Partnership has caused the reduction in the number of filings of grievances or ULPs. Rather, NPC's 1997 survey provided a broader assessment of the labor relations climate in the Federal sector and the perceived impact of Partnership on various measures of organizational performance. This study focused more on the dynamics of labor-management relations and the "perceived impact" on organizational performance through the use of survey questionnaires.

We additionally reviewed NPC's 1996 survey[8] and found it also reported the reduction of ULPs. It characterized the decrease in the number of ULPs being filed with the FLRA over the last few years as an "indicator" of the positive effect of Partnership. Although there has been a continuous reduction Governmentwide in the number of filings in the past 5 years, the FLRA official we contacted could not

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[6] Unfair labor practices are charges filed against agencies over the application of the provisions of 5 U.S.C. Sections 7101 through 7135.

[7] Marick F. Masters and Robert R. Albright, *Brief Technical Report on the National Partnership Council's 1997 Federal Sector Labor Relations Climate Survey*, December 10, 1997. This report analyzes survey data collected during the 1997 survey conducted by the Governmentwide NPC for use in its 1997 report to the President. As of the end of our field work, NPC's 1997 report had not been issued.

[8] *A Report to the President on Progress in Labor-Management Partnerships*, NPC, October 1996.

confirm whether the reduction was due to the implementation of Partnership or from other factors. The FLRA official also stated that he was not aware of any agency that had data to support the conclusion that Partnership had reduced ULPs.

REPORTING OF TIME DEVOTED TO PARTNERSHIP ACTIVITIES HAS VARIED

When we began our evaluation of Partnership activities at SSA, the Agency had not issued formal instructions to employees on how to report time devoted to Partnership activities. Therefore, in the absence of formal instructions, we asked employees how they had reported time devoted to our sampled Partnership activities. Given this situation, the reporting of time devoted to these activities varied. Several employees who represented the union in these activities indicated that they charged and reported their time under the category of official time, while others did not. Further, we found only one activity where management representatives tracked the time they devoted to the Partnership activity.

GAO also found during its audit of union activities that SSA was not routinely reporting time devoted to Partnership activities, and that it was possible that some time spent on Partnership activities was being reported in other official time categories. In response to a congressional inquiry[9] on the use of trust fund money for union activities at SSA, former Commissioner Shirley S. Chater acknowledged the inconsistent reporting of time devoted to Partnership. She also informed Congress that agencywide instructions would be issued for tracking time spent on Partnership activities as well as time spent by management in carrying out its labor-management responsibilities. Her response also indicated that these efforts would likely show a significant increase in time reported for union activities.

EMPLOYEES MAY FIND NEW TIME-REPORTING GUIDANCE DIFFICULT TO FOLLOW

Despite the lack of an agencywide definition of Partnership, SSA's NPC held discussions in late 1997 regarding how employees are to report time devoted to Partnership. As a result of these discussions, new time-reporting guidance was developed that distinguishes three categories of time that employees spend on Partnership-related activities: Partnership time, official time,[10] and Agency time.

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[9] On February 27, 1997, Commissioner Chater responded to a November 22, 1996 written inquiry from the Honorable Jim Bunning, Chairman, Subcommittee on Social Security, Committee on Ways and Means, United States House of Representatives.

[10] Official time is time during which an employee would otherwise be performing Agency assigned work, but the employee is authorized by law, regulation, or negotiated agreement to spend time representing a union and/or bargaining unit employees.

The guidance distinguishes "Partnership activities" from Agency workgroup activities and defines the types of roles employees perform when participating in "Partnership activities."

However, in SSA's guidance, it is difficult to determine in which roles employees are serving in the newly defined "Partnership activities." The guidance does not clearly define how workgroups fit under the umbrella of Partnership. We developed a flowchart illustrating the complexity of the new policy (see Appendix C).

For the purposes of reporting "Partnership time," SSA has defined Partnership activities to include 1) training on Partnership, 2) travel to and from Partnership meetings or training, 3) Partnership Council meetings,[11] and 4) facilitation of Partnership Council meetings or training.

Additionally, to report "Partnership time," the Agency has developed three separate reporting forms. For employees to report time on the appropriate form, employees must determine whether they are serving as a union designee, employee volunteer, facilitator, or manager. SSA has defined these roles as follows.

- **Union designees** are union representatives or employees appointed by the union, who are members of a Partnership Council established by SSA and AFGE.

- **Employee Volunteers** are bargaining or nonbargaining unit employees who have been asked to participate in Partnership activities by either the union or management to assist the Partnership Council in its deliberations or activities.

- **Facilitators** serve as neutral parties to help members of a Partnership Council work together to reach an understanding of the issues and develop solutions that meet their interests.

- **Managers** are employees serving as a team leader, management designee, or as a manager or supervisor.

While the employee's role may be clear when participating in an activity as a facilitator or a manager, it may be difficult for employees to distinguish whether they are an employee volunteer or a union designee.

Employees will report "official time" only in certain circumstances when participating in workgroups. SSA has defined workgroups as groups established by the Agency for which management requests the union to recommend bargaining unit employees to serve. It is not clear in the guidance how to determine whether a workgroup is or is not considered a Partnership-related activity.

[11] These activities include preparation, follow-up time and subcommittee meetings, but not participation on workgroups and/or task forces.

The circumstances in which "official time" will be charged are determined by the capacity in which an employee serves on the workgroup. SSA has determined that "official time" will be charged when employees participating on workgroups are representing the union. If the employee is not representing the union, the employee will be considered to be performing an Agency "assignment of work" and, as such, will have no formal reporting requirements because employees are considered to be working in a duty status or on "agency time."

The Agency has established criteria to determine whether an employee is representing the union. Management will request that the union recommend bargaining unit employees to serve on the workgroup. If management accepts the union's recommendations, employees who participate on the workgroup will work in an Agency "assignment of work" capacity or on "agency time." These employees must not serve in a representational capacity for the union while actually participating in the workgroup activities.

If management fails to accept the union's recommended bargaining unit employee, the union may elect to designate a union representative(s) to serve on the workgroup. These employees will serve in a union representational capacity and will report "official time."

NEW GUIDANCE RAISES MORE QUESTIONS ABOUT SSA'S PARTNERSHIP INVENTORY

It is important for SSA management to recognize that its newly issued guidance is not consistent with the instructions issued to employees during its evaluation of Partnership. When developing SSA's inventory, management requested that employees report Partnership activities and include any activities that used the principles of Partnership. However, when developing its new time-reporting requirements, SSA altered this characterization of Partnership and defined Partnership activities to include specific activities.

To evaluate how this new guidance would affect SSA's inventory, we applied SSA's new policy to its Partnership activity inventory. We determined that approximately 192 of the 1,537 activities may qualify as "Partnership activities," and another 71 activities may qualify as workgroup activities because they were either titled or described as a workgroup. We could not determine how the time devoted to the remaining 1,274 activities would have been reported had these instructions been in place.

CONCLUSIONS AND RECOMMENDATIONS

Executive Order 12871 articulated Partnership and required that agencies involve employees and their union representatives as full partners with management to identify problems and craft solutions to better fulfill the agency's mission and serve its customers. The Executive Order also requires that agencies periodically evaluate progress and improvements in organizational performances resulting from the labor-management partnership.

SSA's *Evaluation of Partnership* was the Agency's first attempt at quantifying the effect of Partnership on the Agency's mission and operations. While the evaluation meets the assessment objective of the Executive Order, some of the data on which the report is predicated are questionable. SSA's evaluation focuses on the perceived effect of Partnership and has little quantifiable data that can demonstrate how Partnership has improved SSA's ability to meet its mission and improve service to SSA's customers. The Agency also has not established sufficient accountability measures to track the associated costs and accomplishments resulting from Partnership activities.

To improve accountability and SSA's ability to perform future evaluations of Partnership, we recommend that SSA:

1. develop a uniform definition of Partnership that is consistent with other Partnership-related guidance, such as the new time-reporting guidance and ensure that this definition is communicated Agencywide;

2. develop a formal system for identifying and maintaining Partnership accomplishments and cost savings that result from Partnership activities;

3. determine whether employees are complying with the Agency's time-reporting guidance and determine whether clarification of the guidance is necessary; and

4. develop a consolidated guide of time-reporting policies and procedures for reporting time devoted to Partnership and other union-related activities.

SSA's GENERAL COMMENTS

SSA believes that many of OIG's conclusions are based upon a misunderstanding of the nature of Partnership and premised on the false notion that Partnership activities can be separated or distinguished from normal Agency business. SSA

believes that Partnership activities have been directly responsible for many successes in enhancing customer service and improving the quality of employees' work life. SSA disagreed with the OIG's perception that its inventory of Partnership activities was questionable, and with the conclusion that available data did not support SSA's contention that the number of grievances and unfair labor practices decreased due to Partnership..

OIG's RESPONSE TO GENERAL COMMENTS

We disagree with SSA's position that Partnership activities cannot be separated or distinguished from normal agency business. In fact, SSA issued guidance in December 1997 which described and distinguished between which activities should be considered partnership and which should be considered normal agency business. We continue to believe that the Partnership inventory is questionable. When conducting our evaluation, we found that employees had different interpretations of which activities constituted Partnership activities, resulting in inconsistent reporting. Concerning SSA's belief that Partnership has resulted in reducing the number of unfair labor practices and grievances, we maintain that there is insufficient data to conduct a comparative analysis of unfair labor practices and grievances past and present.

SSA's COMMENTS ON OIG's RECOMMENDATIONS AND OIG's RESPONSES

Recommendation #1: Develop a uniform definition of Partnership that is consistent with other Partnership-related guidance, such as the new time-reporting guidance and ensure that this definition is communicated Agencywide.

SSA Comment

SSA indicated that Partnership is an ongoing process in which it shares information, discusses issues, and crafts solutions in a cooperative, constructive working relationship between union and management in order to accomplish SSA's mission and to better serve SSA's customers. The Agency believes this definition is consistent with Executive Order 12871 and is in line with the National Partnership Partnership Handbook.

OIG Response

In order for the Agency to evaluate the results and accomplishments of Partnership, employees need to have a clear understanding of how Partnership will work in the Agency and what activities are considered to be Partnering activities. This need for a definition was also expressed in the Agency's own evaluation of Partnership. When SSA issued its recent time-reporting guidance, the definition of Partnership

began to evolve as specific types of activities were listed as "Partnership Activities." However, this list of Partnership activities did not include interest-based bargaining which was included in the "General Labor Management" activity category that is separate and distinct from the "Partnership Activities" category. The inconsistencies between what Partnering includes for the purposes of evaluating results and for the purposes of reporting time need to be resolved. Consistent guidance on defining Partnership and which activities are considered Partnership activities is essential for evaluation purposes.

Recommendation #2: Develop a formal system for identifying and maintaining Partnership accomplishments and cost savings that result from Partnership activities.

SSA Comments

SSA believes that the process does not lend itself to a quantitative analysis and that its Partnership Evaluation Report satisfies the requirement of the Executive Order.

OIG Response

We disagree with the Agency's conclusion that the process does not lend itself to a quantitative analysis. Even the Agency's own evaluation of Partnership attempted to perform a quantitative analysis. In its evaluation, the Agency assembled a data base of activities and conducted a non-statistical survey of its employees to report on the accomplishments and results of Partnership. To appropriately measure results, the Agency needs to establish consistent guidelines for measuring results of each Partnership activity or workgroup in addition to measuring time devoted to these activities and workgroups.

Recommendation #3: Determine whether employees are complying with the Agency's time-reporting guidance and determine whether clarification of the guidance is necessary.

SSA Comments

SSA agreed with this recommendation.

Recommendation #4: Develop a consolidated guide of time-reporting policies and procedures for reporting time devoted to Partnership and other union-related activities.

SSA Comments

SSA implemented its new time-reporting system in February 1998. Prior to that, OLMER issued guidance on how to implement the new system, including the distinctions to be made among official time, Partnership time, and labor relations activities. Additionally, OLMER initiated training on the system, and established a telephone information connection for managers throughout the organization about the guidance.

OIG Response

During our evaluation, we found that time reporting guidance was issued in several different memoranda over several years. However, we found no singular consolidated guide that clearly defined how employees should report time devoted to union activities, including Partnership activities. One central publication would provide a much needed Agencywide policy on how employees should report time spent on Partnership and union activities.

APPENDICES

APPENDIX A

OIG Analysis of SSA's Partnership Inventory

We performed our own analysis of SSA's Partnership activity inventory to better understand the types of activities that were included in the inventory. In doing so, we categorized the activities into 7 major categories and 13 sub-categories based on our review of each activities' description. The following table shows the distribution of the activities among the major categories and sub-categories and provides a description of the types of activities that are in these categories.

OIG CATEGORIZATION OF SSA'S PARTNERSHIP ACTIVITY INVENTORY

CATEGORY/ SUB-CATEGORY	ACTIVITIES INCLUDED IN SUB-CATEGORY	SUB-CATEGORY TOTAL	CATEGORY TOTAL
A) Employee Evaluation and Recognition			159
Appraisal	Types of activities included the evaluation of assessment criteria and performance standards for certain types of positions.	16	
Awards	These activities included the development of awards program guidelines or instructions and the award panel activities where employees form committees to select employees for awards.	119	
Development	These included activities such as assessment promotion panels and the development of employee development programs, such as career ladder and upward mobility programs.	24	
B) Health & Safety	Activities addressed physical security, health and safety issues in SSA buildings.		54
C) Office Facilities			287
Equipment	These activities addressed the purchase and distribution of equipment, such as computers and telephones.	16	
Furniture	These activities involved the installation of furniture in offices, which included the layout, placement and design of office space. Some activities overlapped with the Renovations category.	173	
Renovations	Types of activities included the renovation and remodeling of offices that involved the selection of carpets, purchase of furniture, wall placements, and floor plans. Some of these activities overlapped with the Furniture category.	98	
D) Partnership Meetings and Training			192
Meetings	These activities represent Partnership Council meetings and other meetings between union and management.	172	
Partnership Training	These activities involved training initiatives related to Partnership, i.e., interest-based bargaining, facilitation, brainstorming and consensus decision-making.	20	
E) Reassignment and Relocation			231
Reassignment	These activities included the reassignment of employees to other localities. They also included the restructuring of SSA organizations such as the merging of two separate offices.	132	
Relocation	These activities involved the relocation and movement of SSA offices.	99	
F) Working Conditions	These activities addressed issues such as time and attendance, leave and overtime policies, overtime usage, and break policies.		133
G) Workload Distribution and Processing			481
Disability Redesign	Activities included initiatives related to the redesign of the disability process.	74	
Training	These activities involved training related to workload processing.	37	
Workload	These activities involved workload related activities such as the distribution of workloads, assignment of work, telephone coverage, piloting of work processes, and enhancement of automated systems.	370	
	TOTAL ACTIVITIES		1,537

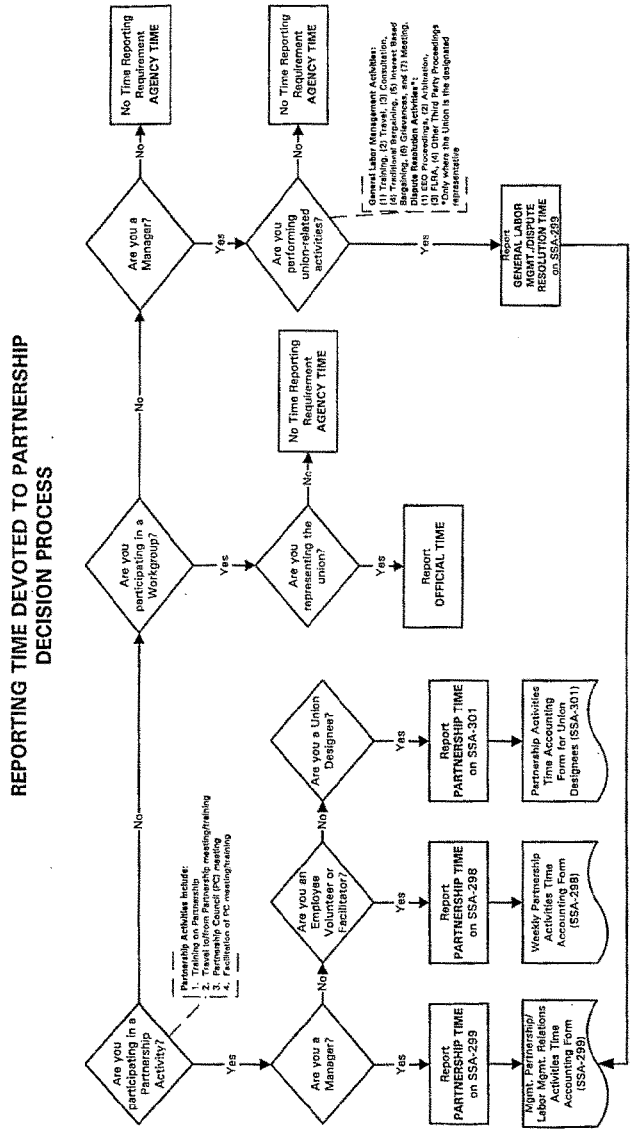
Sampled Partnership Activities

SAMPLED PARTNERSHIP ACTIVITIES

Activity Title	Component or Region	Purpose Of Activity	Number of Union Participants	Number of Management Participants
Shifting Workloads	Chicago	Shifted workload to other employees and offices due to the large receipt of childhood disability and drug addiction and alcoholism claims.	1	1
Fiscal Year 1996 Nashville District Awards Panel	Atlanta	Determined the size and composition of the District Awards Panel to ensure a fair representation of management and employees on the panel.	1	1
Holiday Leave Schedule	Chicago	Reviewed procedures for holiday leave usage to ensure a balance between employee leave requests and meeting the demands of the public.	2*	2
Streamlining the Work Process in the Docket and Files Branch	Office of Hearings and Appeals	Reviewed the Memorandum of Understanding regarding streamlining the work processes in Docket and Files Branch.	2	2
Flexiplace	Office of Hearings and Appeals	Implemented the final phase of flexiplace.	1	2
Reception Initiatives to Improve Service to the Public	New York	Evaluated ways of improving long customer waiting times in the reception area that resulted from the departure of two employees.	1	2
1997 Awards Panel Training Development Workgroup	Office of Systems	Evaluated awards panel training to determine how to administer it to Systems Awards Panels.	2	2
Regional Partnership Council Formal Training	Atlanta	Provided training to employees serving on Partnership Councils on Council formation and interest-based bargaining.	0	2
Disability Claims Manager	New York	Piloted the new Disability Claims Manager position that combined the claims representative and disability examiner functions.	2*	2

*We attempted to obtain information on these activities from union participants. However, these participants did not cooperate with our evaluation.

Reporting Time Devoted to Partnership Decision Process



Key Definitions:

1 - Workgroup - A group established by the Agency and for which management requests the union to recommend bargaining unit employees to serve on the workgroup.
2 - Manager - Employee who is a supervisor, team leader, management designee, or manager/supervisor.
3 - Employee Volunteer - A bargaining or non-bargaining unit employee who has been asked to participate in Partnership activities by either the union or management to assist the Partnership Council in its deliberations or activities.
4 - Union Designee - Union representatives or employees appointed by the union who are members of a Partnership Council established by the SSA and AFGE.

AGENCY COMMENTS

SOCIAL SECURITY

MEMORANDUM

Date: June 12, 1998

Refer To: S1J-3

To: David C. Williams
Inspector General

From: Kenneth S. Apfel Kenneth S. Apfel
Commissioner of Social Security

Subject: Office of the Inspector General Draft Report, "Evaluation of Partnership Activities at the Social Security Administration" (A-13-98-72023)--INFORMATION

Attached are our comments to the draft report. Staff questions may be referred to Barbara Doering on extension 52290.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "PARTNERSHIP ACTIVITIES AT THE SOCIAL SECURITY ADMINISTRATION" A-13-98-72023

We appreciate the opportunity to review and comment on the opinions expressed and recommendations offered in your report on Partnership activities at the Social Security Administration (SSA).

Generally, we believe that the conclusions drawn by OIG in this report reflect a fundamental misunderstanding of the nature of Partnership and the relationship of activities arising out of Partnership to the business of the Agency. The goal of Partnership is to integrate into the business practices and operation of the Agency, consideration of the views and thoughts of employees, their union representatives and others, on matters related to SSA and its mission. One of SSA's goals is to deliver customer-responsive, world-class service. We look on our relationship with the unions as an important means of advancing that goal. By working with the unions, we involve our employees in discussions about how to improve the quality and effectiveness of service delivery. Issues that previously would have been dealt with in confrontational settings, such as grievances or unfair labor practices (ULP), can now be addressed by workgroups or during the normal course of business in an atmosphere of cooperation engendered by Partnership. Therefore, Partnership will allow the Agency to better serve its customers through a diffused process of cooperation that assists in the developing of information that can be used in the crafting of solutions.

Many of the conclusions and recommendations offered by the OIG in this report indicate that it views Partnership as a rigid concept consisting only of certain identifiable practices and actions, such as meetings and training. Hence, the OIG's conclusions and recommendations are premised on the false notion that Partnership activities can be segregated from the normal course of Agency business. Treatment of Partnership in such a fashion is inconsistent with the theory and practice of this more inclusive concept of labor-management relations.

In its report, OIG stated that SSA's Partnership Activities Inventory is questionable. We disagree with this conclusion. The approach used to identify Partnership project activity for inclusion in the SSA inventory was appropriate and consistent with the guidance and direction provided in Sec. 2., item b of President Clinton's Executive Order (E.O. 12871), establishing Partnership. Projects were included that, "involved employees and their union representatives as full partners with management representatives to identify problems and craft solutions to better serve the agency's customers and mission." Projects were included in the inventory, whether they grew out of Interest Based Bargaining (IBB) initiatives or Partnership Council directives.

The report states that projects carried out under IBB initiatives should not necessarily be included in the Partnership Activities Inventory. The National Partnership Council, in its September 1995 Report to the President on Progress in Labor-Management Partnerships said, ". . .partnership is not an end in itself, but an on-going process in which labor and management discuss issues, engage in pre-decisional information sharing, explore mutual interests, and manage conflict when it arises." Further, the Executive Order specifies that, as part of the implementation of Partnership, agencies should train participants in IBB. Given this guidance, one would assume that projects carried out under IBB principles would naturally be considered under the fundamental principles of Partnership, and therefore, are appropriate for inclusion in the inventory.

It should be noted that SSA was the first Federal agency at the national level to conduct an evaluation of Partnership, which is an indication that proactive measures have been undertaken to ensure that partnership activities are supportive of the Agency's goals and mission.

We believe that SSA's Partnership activities have been directly responsible for many of the successes SSA has achieved in enhancing customer service, such as improvements in SSA's 800 Number Service. Other examples of the successes resulting from SSA's Partnership activities are the improvement of the quality of our employees' work life through the establishment of developmental programs, and the reduction of costly formal litigation, such as unfair labor practices.

OIG reported that it could not conclude that a connection existed between Partnership and the reduction in the number of grievances and ULP filings and that SSA's data "were incomplete, particularly before 1995." SSA's Partnership Evaluation Report includes information on the union-management grievances for fiscal years (FY) 1992 through 1996; arbitration hearings scheduled for FYs 1991 through 1996; and ULPs for FYs 1991 through 1996. We believe these data are sufficient to establish the patterns of litigation before and after the establishment of the SSA Partnership Council in FY 1994 and support SSA's position that the number of ULPs have decreased due to Partnership.

Our comments to specific OIG recommendations follow:

Recommendation

Develop a uniform definition of Partnership that is consistent with other Partnership-related guidance, such as the new time-reporting guidance and ensure that this definition is communicated Agency-wide.

Comments

Partnership is an ongoing process in which we share information, discuss issues and craft solutions in a cooperative, constructive working relationship between union and management to accomplish SSA's mission and to better serve SSA's customers. This definition is consistent with President Clinton's E.O. principles, which are in line with the National Partnership Council's July 1994 Partnership Handbook which states that Partnership is "a concept that varies by organization, with one essential characteristic, a changed labor-management relationship."

Recommendation

Develop a formal system for identifying and maintaining Partnership accomplishments and cost savings that result from Partnership activities.

Comments

We disagree with this recommendation. The process does not lend itself to a quantitative analysis. We believe that the Agency's Partnership Evaluation Report satisfies the requirements of the Executive Order and provides appropriate analysis of accomplishments and activities undertaken in the Agency as a whole.

Recommendation

Determine whether employees are complying with the Agency's time-reporting guidance and determine whether clarification of the guidance is necessary.

Comments

We agree. We are now reviewing data from the first reporting period to determine the effectiveness of the guidance and whether any clarification is necessary.

Recommendation

Develop a consolidated guide of time-reporting policies and procedures for reporting time devoted to Partnership and other union-related activities.

Comments

About the same time OIG was concluding its review, (February 1998), SSA implemented its new time-reporting system. Prior to the implementation of the system and on an on-going basis, the Office of Labor-Management and Employees Relations (OLMER) has provided guidance on how to implement the new system, including

the distinctions to be made among official time, Partnership time[4] and labor relations activities.

In addition to the implementing guidance, OLMER initiated training on the reporting system via an Interactive Video Training session in December 1997 and conducted conference calls with management representatives to disseminate additional information. OLMER also established a Telephone Information Connection which has responded to questions from managers throughout the organization about the guidance. The questions from managers and the corresponding answers are published and distributed on a monthly basis so that the entire Agency can benefit from the guidance provided.

OLMER will continue to use the previously mentioned methods, as well as other means of communication, to provide guidance on time-reporting issues.

APPENDIX E

UNION RESPONSE COMMENTS

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO
80 F Street, N.W., Washington, DC 20001 • (202) 737-8700
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Bobby L. Harnage
National President
Rita R. Mason
National Secretary-Treasurer
Kitty A. Peddicord
Director, Women's/
Fair Practices Departments

June 4, 1998

David Williams, Inspector General
Office of the Inspector General
Social Security Administration
6401 Security Blvd.
Baltimore, MD 21235

Dear Mr. Williams:

Thank you for the opportunity to comment on the OIG draft reports dealing with partnership and official time issues at the Social Security Administration. Although AFGE has reviewed all three reports prepared by your office, we are limiting our comments to the report on partnership activities. We have a number of concerns that we'd like to share with you.

To begin with, we believe that your recommendation for a "uniform definition of partnership" is particularly unwise. Partnerships are many things, but "uniform" is certainly not one of them. Indeed, we have found that no two partnerships in the federal sector are exactly alike, nor can they be shoehorned into a once-and-for-all time definition. The unique nature of partnerships should come as no surprise since they are found in scores of different agencies, each with its own particular mission and its own history of labor-management relations. A definition of partnership that works for a VA hospital in Des Moines, Iowa will not fit the partnership at Tobyhanna Army Depot in Pennsylvania. Closer to home, the local partnership between AFGE and SSA in Richmond, California is different in many respects from the National-level partnership between AFGE and SSA, but each is a partnership in its own right.

Remember that partnership councils derive their strength -- and their unique identity -- from the people who serve on them. Councils are made up of union representatives, employees, and managers who work closely together every day. Partnerships can vary in interesting and important ways depending on the mission and culture of an agency, the understandings and expectations of the men and women who make up the council, or the level at which the partnership exists. Trying to capture such a rich and varied tapestry though the one, true "uniform" definition of partnership is really a search for fool's gold.

That does not mean partnerships are without identifiable shape or character. Good partnerships have many common elements. Again and again we find that effective partnerships, no matter the agency, are based on trust, mutual respect, open and honest communications, shared responsibility, and top-level commitment from labor and management. But partnership is just a term -- a vivid term, to be sure -- that has become widely used to describe efforts by labor and management to build constructive, cooperative relationships and to do business in a new way. Different terms have been used in other industries and by other organizations to describe the same kind of relationship.

For example, at Hennipin Steel Works, management and the Steelworkers Union created something they called the "New Work System." The UAW and General Motors formed labor-management "Quality Networks." Well before Executive Order 12871 was signed by President Clinton, AFGE and the Department of Labor dubbed their new working relationship "Employee Involvement and Quality Improvement.'" In none of these cases -- and in no workplace or organization we know of -- did labor and management try to come up with a uniform definition of their cooperative relationship. It's a little like trying to define a good marriage: a single definition doesn't begin to do justice to the complex, special nature of the institution.

While a precise definition of partnership is neither possible not desirable, there is no question that SSA and AFGE need to have a common understanding of the goals they want to reach in partnership and how they're going to get there. Coming to terms with the purpose and scope of partnership -- rather than defining it in a narrow, prescriptive way -- is the approach commonly taken by labor and management in both the private and public sectors when they form any kind of cooperative venture. The parties will develop a joint vision statement or draft a set of broad guiding principles or, as AFGE and SSA have done here, develop a written partnership agreement which sets out the essential elements of their new relationship. This approach has proven far more useful than attempting a single definition under which one would lump the assorted local, regional, and national partnerships typically seen with large employers like SSA.

Our next comment concerns your treatment of interest-based bargaining. You say that you would "not necessarily" include interest-based bargaining as a partnership activity because "it is a problem-solving process or technique that is used in making group decisions and does not qualify as an activity in and of itself." If there is a meaningful distinction between a partnership "process or technique" and a partnership "activity," it's not at all clear from your report. That aside, do you really want to go on record as saying that interest-based bargaining is not a partnership activity? If so, you'll be the first.

Interest-based bargaining is a non-adversarial, problem-solving approach to negotiations designed to allow labor and management to bargain more effectively.

By focusing on mutual interests, not inflexible positions, participants learn how to craft contract language that all parties accept and support. This approach to bargaining helps labor and management develop a working relationship based on shared goals. That is precisely why the President's Executive Order on labor-management partnerships directed federal agencies to provide training in "consensual methods of dispute resolution, such as alternative dispute resolution techniques and interest based bargaining approaches." EO 12871, Section 2(c). And that is why agencies with labor-management responsibilities like the FMCS and FLRA provide extensive training in interest-based bargaining as part of an overall strategy to promote and develop partnerships across government. We urge you to rethink your position on this issue.[1]

You are also critical of the "diverse grouping of activities" that SSA and AFGE consider partnership activities, diversity you attribute to the lack of a definition for partnership. We do not agree.

The Executive Order requires agencies to "involve employees and their union representatives as full partners to identify problems and craft solutions to better serve the agency's customers and mission." Meeting this ambitious goal should lead, as it has with SSA and AFGE, to a wide range of activities properly designated as partnership activities. This is all part of doing business in a new way, where labor and management spend less time handling grievances and more time trying to improve quality, efficiency, and customer service.

Does that mean some blurring of the sharp lines that once divided purely representational activities from agency business? Sure. But that is not surprising when an agency is involving the union -- and employees designated by the union -- in its day-to-day operations and planning as never before. When you insist on rigid and formal definitions you miss both the letter and the spirit of the Executive Order.

You also report that you "could not conclude that a connection existed between partnership and the reduction in the number of grievances and unfair labor practice filings." Of all the conclusions you've reached, this one is the most troubling because it exhibits an almost wilful disregard of the facts. What are some of the important facts?

---

[1] AFGE's National Council of Field Labor Locals and the Department of Labor have prepared an excellent Partnership Handbook that highlights the importance of interest-based problem solving and interest-based negotiations and explains the connection of each to partnership. We'd be happy to provide you with a copy.

FACT: In the seven years before the Executive Order was signed, unfair labor practice filings in the federal sector rose each year from around 5200 in 1986 to almost 9000 in 1992. The Executive Order was signed in October 1993. In 1994, the first full year of implementation, ULPs dropped 13%. In 1995, the decline was even sharper, falling 17%. All in all, there has been a 39% reduction in the filing of ULPs since 1993.

FACT: 76% of the respondents to a government-wide survey of labor and management conducted by the National Partnership Council in 1996 reported that partnership had resulted in a reduction in labor-management litigation. Almost exactly the same percentage reported a reduction in 1995.

FACT: In the Council's 1997 survey of labor and management, conducted by Professors Merrick Masters and Robert Albright, participants were asked to describe the labor relations climate in the past. Only 35.7% said the climate between labor and management was cooperative. When asked to characterize the labor relations climate today, almost twice as many (67.4%) said it was cooperative. What's most important is that Masters and Albright found a statistically valid correlation between an improved labor relations climate and reduced grievance rates. (They also found a valid correlation between harmonious labor relations and improvements in productivity, product quality, and customer service.)

FACT: In his statement to the House Treasury and Postal Subcommittee as part of the FLRA's FY 1998 appropriations request, General Counsel Joseph Swerdzewski described a program run out of his office called Facilitation, Intervention, Training, and Education (FITE). He said the program "is aimed at developing alternative approaches to resolving disputes and working with the parties to improve their relationship in order to prevent unnecessary conflict." Swerdzewski credits this partnership-building program with a "significant reduction in case filings in both ULP and representation cases."

If you're interested, we also have numerous examples of agencies where ULPs and grievances were once filed with depressing regularity but where filings dropped dramatically once the parties developed a working partnership. The strong connection between cooperative labor management relations -- partnerships, in other words -- and a drop in ULPs, grievances, and other forms of labor-management conflict is supported by hard evidence, hard-earned experience, and plain old common sense.

Page 5

AFGE appreciates the opportunity to comment on your draft report. We would be happy to discuss our comments with you in greater detail, and we are available to answer any of your questions.

Sincerely,

Bobby L. Harnage, Sr.
National President

APPENDIX F

MAJOR CONTRIBUTORS TO THIS REPORT

Office of the Inspector General

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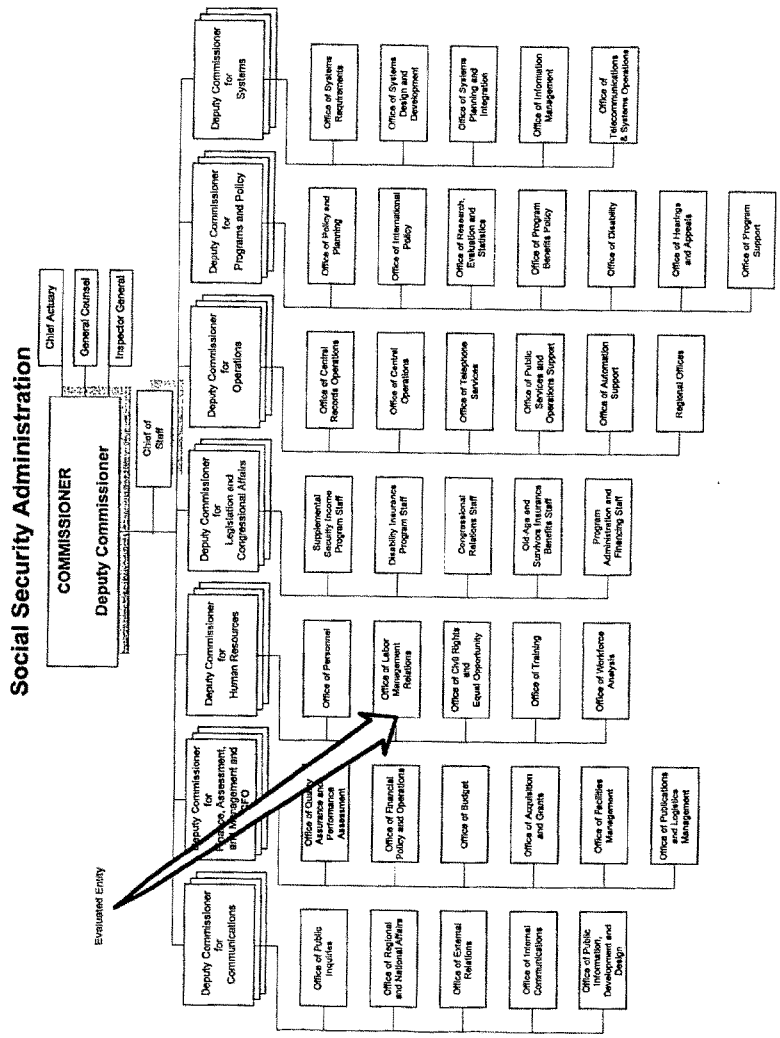
Carl Markowitz, Team Leader
Jim Klein, Auditor-In-Charge
Stephanie Palmer, Senior Auditor
Evan Buckingham, Program Analyst

For additional copies of this report, please contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-9135. Refer to Common Identification Number A-13-98-72023.

SSA ORGANIZATIONAL CHART



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	Page 2
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President, National Council of Social Security Management Associations, Inc.	1
Treasurer, National Council of Social Security Management Associations, Inc.	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	**82**

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is organized into five components:

Office of Investigations

The Office of Investigations conducts and coordinates investigative activity related to fraud, waste, abuse and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. The Office of Investigations also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of Audit

The Office of Audit conducts comprehensive financial and performance audits of SSA's programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs. The Office of Audit also conducts short-term management and program evaluations focused on issues of concern to SSA, the Congress, and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency.

Office of Management Services

The Office of Management Services supports the OIG components by providing budget, procurement, telecommunications, facilities and equipment, human resources, information resources management, and systems security. OIG also is responsible for and coordinates the OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act; public affairs; interagency activities; OIG reporting requirements and publications; and responses to congressional inquiries.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.

Chairman BUNNING. And to close, often it's impossible for this Subcommittee—I know you wouldn't agree with that—to cover every issue we are interested in during this hearing; therefore we may be submitting additional questions in writing for you to answer for the record.

[The following was subsequently received:]

1a. Is the process of requesting and/or approving official time different for full-time union officials versus part-time union officials?

No, the process of requesting and approving official time does not differ depending on full-time or part-time status. However, it may be different for union officers versus non-officers.

All union representatives should request and arrange in advance for their use of official time by preparing an official time form. However, the negotiated agreements allow the parties to make other arrangements for requesting official time when the union representative is unable to do so in advance. In addition, at Headquarters, union officials are required to make arrangements to sign in and out with a management official/supervisor.

1b. What did the supervisors tell you about the requests they receive for official time? Were they accurate? Complete? Do they try to get more information from the union official when the requests are incomplete?

We found that supervisors usually cannot determine whether the request for official time is for an authorized activity because information provided on the official time forms is incomplete or the official time forms do not require specific information.

Based on our interviews with 12 supervisors at Headquarters, 10 stated that they did not know or attempt to judge whether the requests for official time were appropriate. We believe the principal reasons for this statement were that the official time forms do not require adequate data to make an informed decision or were completed with vague responses. Supervisors generally do not try to get more information when a request is incomplete.

2. Without getting into specific identifying details, we understand that your office was involved in an investigation involving travel voucher fraud and suspected abuse of official time. Can you tell us what happened in that investigation? What was the ultimate result? Is this individual still working at SSA, and if so, what job does this individual hold?

Our office received an allegation concerning the suspected abuse of official time and travel voucher fraud of an SSA claims representative. We opened an investigation and determined that over a period of 3 years the claims representative applied for and accepted payment for travel and per diem for which he was not entitled. We concluded our investigation on April 11, 1996. Since the U.S. Attorney declined prosecution, we referred the matter to SSA for appropriate administrative action. SSA suspended the individual without pay for 60 days. He has since returned to his position of claims representative at an SSA field office. We could not substantiate the portion of the allegation concerning abuse of official time.

3a. How is the number of union representatives determined?

The number of union representatives is determined by collective bargaining agreements.

3b. Does SSA keep current lists of those authorized to use official time?

At the time of our audit, we found that SSA did not maintain a current, accurate listing of union representatives nationwide. Since that time SSA has taken steps to collect accurate listings of union representatives to further assist in its efforts to enforce contractual limits on the number of official representatives.

3c. Does SSA ensure that the limits on the number of representatives are adhered to?

As indicated in the previous response, SSA has a process in place to ensure that the contractual agreements are followed.

3d. Did some offices have more than the allotted number of union representatives?

During our audit of selected offices, we found one component had more than the allotted number of representatives. Local 1923 at Headquarters had 11 Assistant

Chief Stewards authorized to use official time at a given point in time, whereas the collective bargaining agreement indicates there should have been only 7. This has been corrected by SSA.

4. An Executive Order signed by President Clinton in 1993 articulated a new vision of management relations, called "Partnership" that required agencies to involve employees as full partners with management to identify problems and craft solutions to better fulfill the agency's mission and serve its customers. Did SSA have any specific list or inventory of what are considered Partnership activities when you began your survey?

No. SSA had neither conducted its own evaluation of Partnership nor developed its own inventory of Partnership activities. In July 1997, several months after we began our evaluation, SSA established its Partnership Evaluation Team to compile the first agency-wide inventory of Partnership initiatives and to evaluate SSA Partnership activities.

5. Did you review SSA's Partnership inventory? If so, what were your findings?

When we reviewed the inventory of Partnership activities, we found it difficult to determine which activities met the intent of Partnership; that is, ". . . to identify problems and craft solutions to better serve the agency's customers and mission" (E.O. 12983). We also found that SSA had not defined "Partnership" and related activities before it conducted its own evaluation of Partnership. Therefore, it was not unexpected to find that the inventory included a broad range of miscellaneous activities because employees across SSA had developed their own definitions. We questioned the usefulness of the diverse grouping of activities in assessing progress and measuring the improvements that result from Partnership. For example, some of the reported activities included:

installation of shelving units,
use of radios on overtime,
break-room clean-up,
debt modernization project,
organizational planning team, and
interest-based bargaining training.

As you are aware, there is a significant difference of opinion between the OIG and SSA in this area.

6. SSA has informed this Subcommittee that Partnership has helped reduce the high costs associated with litigation of grievances. Do your findings support this statement?

Our review did not find support for SSA's statement. We determined there was insufficient evidence to draw such a connection. The data were incomplete and did not provide the details necessary to determine whether Partnership had reduced the number of grievances. SSA management agreed that the data necessary "to prove the link" between Partnership and the reduction in grievance costs did not exist before 1996. SSA management intuitively believes that Partnership has had a positive effect on the Agency and has made addressing labor-related issues easier.

7. You have stated that the data necessary to prove the link were not available. What information was available?

Only summary records for grievances were available. To prove a link between partnership and a reduction in grievance costs, we would need to examine the issues that had previously been grieved and compare them to issues that are currently being grieved. It still might be difficult to prove the link. For example, it is alleged that many grievances related to performance appraisals. In 1995, SSA implemented a Pass/Fail performance rating system. The decline in grievances in 1996 and 1997 could be attributed to Partnership, the new appraisal system, or factors not known to us.

8. An earlier General Accounting Office report indicated that Partnership would likely result in an increase in the amount of official time used. Do you believe this is true?

No. The Commissioner of Social Security determined that time spent on Partnership activities will not be considered official time; therefore, such time will not be reflected in SSA's official time reports. That decision was based on the conclusion that Partnership activities do not constitute the type of representational activity defined in the Federal Labor-Management Relations Statute. During our evaluation, we asked the Office of Personnel Management (OPM) whether other Federal agen-

cies were reporting Partnership activities as official time. OPM informed us that the reporting of Partnership time as official time varies from agency to agency.

9a. How does SSA plan to capture Partnership time and will SSA report on the number of employees' hours and costs involved in Partnership?

In January 1998, SSA established new guidance to record time expended on Partnership activities by managers, union officials, and employees. SSA has determined that Partnership activities include:

facilitating Partnership Council meetings and training,
attending Partnership Council meetings,
Partnership training, and
travel to/from Partnership meetings and training.

SSA has developed a temporary, automated system for managers only. The Agency is exploring a more permanent process for reporting Partnership time for all employees (i.e., expanding the Official Union Time Tracking System [OUTTS]). OUTTS is an automated system that tracks the use of official time and enables monitoring of the hours expended on union activities by individual union representatives in the field (not at Headquarters). In the interim, SSA developed the following forms for all employees to capture and report partnering activities:

Form SSA–298, Weekly Partnership Activities Time Accounting Form (submitted to the immediate supervisor each week)

Form SSA–299, Management Partnership/Labor Management Relations Activities Time Accounting Form (submitted to the Office of Labor Management and Employee Relations on a quarterly basis)

Form SSA–301, Partnership Activities Time Accounting Form for Union Designees (submitted to supervisors on a basis consistent with existing methods for releasing employees or union officials from the worksite)

New time reporting guidance, systems, and forms may provide SSA with an ability to report on the number of employees hours and their estimated cost.

9b. How many of the activities in SSA's inventory of Partnership activities would meet SSA's definition of Partnership activities?

We determined that approximately 192 of 1,537 activities in SSA's inventory of Partnership activities would meet SSA's definition of Partnership activities. The remaining 1,345 would be considered either Agency time or official time. Official time would be reported only in situations where union and management officials cannot agree on a participant for an activity (for example, a workgroup), and the union would appoint a representative. We were unable to determine which of the 1,345 would be Agency time or official time.

9c. When SSA does its next evaluation of Partnership, will it assess its achievements based only on those activities it will be formally tracking?

SSA staff informed us that no decision has been made concerning this issue for the next evaluation.

10. What do you think your findings tell us about the use of official time at SSA?

Although SSA has taken action to improve the accuracy of the official time reporting process, more needs to be done. Improvements are needed in existing procedures and controls pertaining to use of official time. Additionally, SSA needs to ensure that allegations of suspected abuse of official time are resolved in a timely manner and that the resolution is communicated to the appropriate manager.

11. What do you think your findings say about Partnership?

SSA needs to develop a more uniform definition of Partnership that is consistent with other Partnership related guidance. It also needs to develop a formal system for identifying and maintaining Partnership initiatives and accomplishments. Finally, the agency needs to develop a consolidated guide of time-reporting policies and procedures for reporting time and costs devoted to Partnership and other union-related activities.

Chairman BUNNING. First of all, I want to thank Ms. Gardiner and Mr. Huse for all your staff's hard work in finalizing this report. I look forward to your continued support in full investigation, all reports of abuse brought before this Subcommittee.

The hearing stands adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned, subject to the call of the Chair.]

LABOR-MANAGEMENT RELATIONS AT THE SOCIAL SECURITY ADMINISTRATION

THURSDAY, JULY 23, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON SOCIAL SECURITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:05 a.m., in room 1100, Longworth House Office Building, Hon. Jim Bunning (Chairman of the Subcommittee) presiding.

Chairman BUNNING. The Subcommittee will come to order, please.

Good morning. All our guests, please take seats—I would appreciate it—after they get their materials, please.

Today is the second day of our investigation of abuse involving taxpayers' financing of union activity at the Social Security Administration. I am very pleased with the bipartisan cooperation we have received, and I'm grateful to SSA's Inspector General for his fine work fighting fraud and abuse. Let me repeat what I said yesterday: "We have an obligation to protect the integrity of the Social Security, and we must respect the rights of organized labor. But we must do so while fighting abuse wherever we find it."

Today we'll hear from several SSA managers and employees who have displayed great courage and dedication to their—to the seniors they serve. These hard-working civil servants have traveled here to share their experiences with us. Our job is to help them so they can better serve our Nation's elderly, the disabled, and the widows and survivors who come under SSA's purview.

Some of the testimony we will hear is unsettling. I commend each of you for the civil duty you are performing by sharing your information with us. It may not be easy, but our Nation will owe you its thanks for your effort today.

I understand that in the past one witness with us today had his tires slashed. Another received a threat that he would end up missing. I want to be clear about this, and very clear, so there's no misunderstanding. No one on this Subcommittee—no Democrat, no Republican—will tolerate threats against civil servants who come forward to serve their Nation. It would be a violation, first of all, of Federal law for anyone at the agency to retaliate against our witnesses today because of their testimony before Congress. I want to put everyone at the agency on notice: Conduct of that kind will not be tolerated. And I intend to keep a very close eye on this matter after the hearing.

In the interest of time, it is our practice to dispense with opening statements, except for the Ranking Democratic Member. All Members are welcome to submit statements for the record. I yield to Mrs. Kennelly any time that she would take to make a statement.

Mrs. KENNELLY. I appreciate that, Mr. Chairman.

Mr. Chairman, as representatives of the people, our duty is to carefully consider every side of an issue, and examine a wide range of information, so that we can make the best decisions. We cannot do this if we can only hear half of the story.

Our meeting today focuses on employee-management relations at the Social Security Administration. As is the case in many offices with managers and employees, there are managers at SSA who think their employees' time could be better used if they did not spend any time representing other employees. Today we will hear from two managers who seem to hold that view.

In total, however, there are about 1,300 local office managers at SSA, and they hold a wide range of views on employee-management relations in their offices. It's important to recognize that any manager, regardless of whether he has a good relationship with employees or a bad one, would be reluctant to come before Congress to speak about employee relations. The two witnesses we have subpoenaed represent their own perspective. But many managers at SSA have a different view.

The organization representing all 1,300 local office managers sent a letter presenting a broader view than the two witnesses we have before us today. And I would ask permission to read two paragraphs from the letter, Mr. Chairman.

Chairman BUNNING. Without objection.

Mrs. KENNELLY. Thank you, Mr. Chairman.

> The overwhelming majority of employees in field offices and teleservice centers are represented by unions. Managers and supervisors across the country must deal frequently with union representatives on issues that affect the working conditions of the staffs in each organized facility. The issues that are discussed by management and the union vary from office to office. The success of those discussions and the time devoted to those discussions depend, to some degree, on a number of factors. Those factors can include the labor relations history of the individual facility, the personalities, negotiating styles, and expertise of the individuals involved in the process.
>
> The relative importance of the issue being discussed and the levels of support that both management and labor receive from higher levels in their respective bureaucracies. I have heard reliably that in some facilities within SSA labor management relations continue to be strained, and more than the usual amount of time is spent on union activities by both managers and union representatives. However, in many, many other facilities, there are very good labor-management relations and little time spent on union activities.

This letter was sent to me, and it's signed Ron Neising, President, CSSMA.

Chairman BUNNING. Well, do you mind if we put the whole thing in the record?

Mrs. KENNELLY. Good idea. Great idea.

Chairman BUNNING. We'll just enter the whole thing in the record.

Mrs. KENNELLY. Thank you, Jim.

[No information had been received at the time of printing.]

Mr. Chairman, we must be really upfront about the reasons we have these two carefully selected managers who want to be here to

testify in person. Managers who have no complaints about the current system, who think it is an efficient use of resources, or who have no stories to tell about abuses and don't need any media attention, they just didn't feel the need to come at this point in time.

And yet, as Members of Congress, we have a responsibility to consider the most numerous, less interesting examples as well. With all due respect to the valid experiences of witnesses and the testimony we are about hear, we will not be serving the American people if we end up governing by anecdote.

And I would say that we must have some representation from the other side of the story.

I thank you, Mr. Chairman.

Chairman BUNNING. Thank you, Congresswoman Kennelly.

I'd like to call the panel and introduce the panel that is going to be testifying today. John Reusing, Claims Authorizer in the Division of International Operations and third vice president of the AFGE local 1923 at the Social Security Administration in Baltimore, Maryland. We seem to have a vacancy. Jim Beckstrom will introduce him if he shows up.

Jim, come right up; we found you—a computer specialist for the Office of Systems and Cochair of the Office of Systems Partnership Council at the Social Security Administration in Baltimore, Maryland. Jim Schampers—that's correct?—district manager of the Waco, Texas, Social Security Administration District Office, and Edwin Hardesty, district manager of the Tulsa, Oklahoma, Social Security District Office.

If the witnesses will stand, I will swear you in.

[Witnesses sworn.]

Before the witnesses begin their testimony, let me remind them that they should refrain from specifically identifying in this open hearing any individual allegation involved in unlawful or improper activities. I believe that the appropriate forum for that information would be at the SSA Office of the Inspector General.

Therefore, I would ask that you provide that type of information if you have it and any supporting documents to the IG.

Mr. Reusing, you may proceed.

STATEMENT OF JOHN REUSING, CLAIMS AUTHORIZER, DIVISION OF INTERNATIONAL OPERATIONS, SOCIAL SECURITY ADMINISTRATION, BALTIMORE, MARYLAND; AND THIRD VICE PRESIDENT OF AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, LOCAL 1923

Mr. REUSING. My name is John Reusing, and I have been an employee at the Social Security Administration in Baltimore, Maryland for 25 years. I am currently a claims authorizer in the agency's Division of International Operations, and I have been active in unions for 30 years. I am currently the third vice president of AFGE local 1923, where I have served as a steward or an officer for 15 years.

Mr. HAYWORTH. Mr. Chairman, Mr. Reusing, forgive me for interrupting, but if you could please pull the microphone directly in front of you, closer, that would be good.

Mr. BECERRA. Mr. Chairman, parliamentary inquiry. Mr. Chairman? Parliamentary inquiry. I understand that some of the wit-

nesses were subpoenaed. Does that mean that they are testifying under oath at this stage?

Chairman BUNNING. They all are testifying under oath. We gave them the oath.

Mr. BECERRA. OK. Thank you very much.

Mr. REUSING. Despite the demands of my union position, I have always felt an obligation to spend a portion of my time working for the taxpayers by performing the duties of my job. This practice has allowed me to be a more effective advocate of employee concerns and meet my dual obligation to the taxpayers and SSA employees. Unfortunately, many of my union colleagues do not share my views.

The union rarely consults employees on major issues and often does not inform the employees of decisions it makes. Union activists in my local do not believe they are accountable to management or the employees. There is virtually no supervision of officers and stewards by management or union officials. This has led to rampant abuse of official time. Union officers usually conduct internal union business on official time. They attend union meetings, campaign for union office, and work on the union budget while on official time. Employees have observed union activists selling real estate, working at Camden Yards stadium, and doing home maintenance while on official time. On many occasions, I have seen my colleagues using official time to go shopping, conduct personal business, or pursue hobbies, such as fishing, golf, and record collecting.

However, the most common complaint of employees and managers is that union officials are just not there. They are on official time, but they are not onsite. Official time has also been used for political activity. Training meetings have been used to rally stewards to support political candidates. Union dues have also been used for political contributions. When these abuses are discovered, no action is taken. Management has learned that it can get anything it wants from the union if it grants enough official time.

Union representatives have learned how to use the EEO process to get unlimited official time. Complaints that could have been resolved under the less costly grievance process are filed under EEO, so the steward can get more official time. EEO time does not count against the agency's labor relations budget, and, therefore, probably did not show up in the OIG audit.

The partnership agreement is probably the worst thing that has happened to SSA employees and taxpayers. With partnership came the implementation of the pass/fail rating and award panels. These changes have lowered morale and reduced productivity. The OIG report grossly underestimated the time on partnership. Most people involved in partnership committees are not union activists; some are not even members. They serve on award panels, work groups, and as facilitators.

Award committees are the worst aspect of partnership. Each year about 10 percent of the employees in my office spend two or more weeks giving out awards. For the most part, they give these awards to themselves and their friends. When employees complain to the union, they are told that they don't have a case. If they file an EEO complaint, a high ranking official in the union interferes in the investigation. Partnership councils are also being used to ad-

vance the careers of corrupt union officials. Management gets what it wants, and the union sells out employees.

Unions are supposed to be democratic organizations that represent the interests of its members. Unfortunately, this is not the case at the Social Security Administration headquarters in Baltimore, Maryland. The real business of the union is to protect the position of union officers and, if possible, advance them to a national union office. They use their offices to provide employment opportunities to their family members and their friends, to obtain promotions for themselves, and to obtain retirement opportunities that are not available to other employees. Union officers spend all day every day on official time. They hold office for most of their careers since reelection is practically guaranteed. Favored reps receive additional time for their allegiance to the executive board. They do not need to do additional representation to stay away from their jobs. Many dedicated representatives have been forced out because of union politics or have left in disgust. The representatives that remain do not have the training or the inclination to handle arbitration or complex issues.

In the last year alone, four union officers or stewards, who have challenged these practices or investigated union corruption, have been removed from their positions and stripped of their duties. They have been harassed by other activists and their property vandalized. I have been relieved of my duties twice in my 15-year career as an officer and steward with AFGE. In December 1995, I was fired as a steward for speaking out against the pass/fail rating system. In 1996, I decided to run for union office. I was contacted by the same high-level union official, who only months before had fired me, and I was offered a deal. I would be given 100 percent official time for the rest of my career if I did not embarrass union officials. This same offer was made to another candidate. I declined the offer and was elected third vice president of the local. I was removed from this position in October 1997 for investigating financial irregularities in the union and uncovering election fraud in the local. Another factor that made me unpopular with the union bosses was that I continued to work at my regular job 15 or 20 hours per week, and I still handled a heavier case load than other union officers. There is no reason why my colleagues could not do the same.

In my opinion—or it is my opinion that partnership and a self-serving union have severely damaged the agency. Employees dislike pass/fail ratings. Award panels have caused friction among employees and are universally viewed as unfair and an invasion of privacy. Managers are powerless because they do not have the ability to reward or discipline employees. These misguided policies are affecting the agency's ability to serve the public and should not be allowed to continue.

I would encourage your Subcommittee to take action to eliminate pass/fair ratings and award panels. I would encourage you to end partnership or severely limit its scope. I recommend that union activists spend at least 50 percent of their time at their government jobs. I would also recommend that managers verify that official time is spent only on union activities.

In conclusion, I believe that the issues of partnership and union activity at SSA have a dramatic effect on employee morale, and, therefore, are as important as any issue facing the agency in coming years. For without the commitment and dedication of SSA employees, all the agency's initiatives are doomed to failure.

Thank you for allowing me to express my concerns.

[The prepared statement follows:]

Statement of John Reusing, Claims Authorizer, Division of International Operations, Social Security Administration, Baltimore, Maryland; and Third Vice President, American Federation of Government Employees Local 1923

My name is John Reusing and I have been an employee at the Social Security Administration in Baltimore, Md. for twenty-five years. I am currently a claims authorizer in the Agency's Division of International Operations. I have been active in Unions for 30 years; and I am currently the third vice president of AFGE Local 1923, where I have served as a steward or an officer for 15 years. Despite the demands of my Union position, I have always felt an obligation to spend a portion of my time working for the taxpayers by performing the duties of my job. This practice has allowed me to be a more effective advocate of employee concerns and meet my dual obligation to the taxpayers and SSA employees. Unfortunately, many of my Union colleagues do not share my views.

The Union rarely consults employees on major issues and often does not inform the employees of the decisions it makes. Union activists in my Local do not believe they are accountable to management or the employees. There is virtually no supervision of officers and stewards by management or Union officials. This has led to rampant abuse of official time. Union officers usually conduct internal Union business on official time. They attend Union meetings, campaign for Union office and work on the Union budget while on official time. Employees have observed Union activists selling real estate, working at Camden Yards stadium and doing home maintenance while on official time. On many occasions I have seen my colleagues using official time to go shopping, conduct personal business or pursue hobbies such as fishing, golf and record collecting. However, the most common complaint of employees and managers is that the Union officials are just not there. They are on official time but they are not on site. Official time has also been used for political activity. Training meetings have been used to rally stewards to support political candidates. Union dues have also been used for political contributions. When these abuses are discovered, no action is taken. Management has learned that it can get anything it wants from the Union if it grants enough official time.

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Award committees are the worst aspect of partnership. Each year about 10% of the employees in my office spend two or more weeks giving out awards. For the most part they give awards to themselves and their friends. When employees complain to the Union, they are told that they don't have a case. If they file an EEO complaint, a high ranking official in the Union interferes in the investigation. Partnership councils are also being used to advance the careers of corrupt Union officials. Management gets what it wants, and the Union sells out the employees.

Unions are supposed to be democratic organizations that represent the interests of their members. Unfortunately, this is not the case at the Social Security Administration headquarters in Baltimore, Md. The real business of the Union is to protect the position of Union officers and, if possible, advance them to a national Union office. They use their offices to provide employment opportunities to their family members and their friends, to obtain promotions for themselves, and to obtain special retirement opportunities that are not available to other employees. Union officers spend all day, every day on official time. They hold office for most of their careers since reelection is practically guaranteed. Favored reps receive additional offi-

cial time for their allegiance to the executive board, therefore, they do not need to do additional representation to stay away from their jobs. Many dedicated representatives have been forced out because of Union politics or have left in disgust. The representatives that remain do not have the training or the inclination to handle an arbitration or complex issues.

In the last year alone four Union officers and stewards, who have challenged these practices or investigated Union corruption, have been removed from their positions and stripped of their duties. They have been harassed by other activists and their property vandalized. I have been relieved of my duties twice in my fifteen year career as an officer and steward with AFGE. In December, 1995 I was fired as a steward for speaking out against the pass/fail rating system. In 1996 I decided to run for Union office. I was contacted by the same high ranking Union official, who only months before had fired me, and I was offered a deal. I would be given 100% official time for the rest of my career as long as I did not run for office and embarrass Union officials. This same offer was made to another candidate. I declined the offer and was elected third vice president of the Local. I was removed from this position in October,1997 for investigating financial irregularities in the Union and uncovering election fraud in the Local. Another factor that made me unpopular with the Union bosses was that I continued to work at my regular job for 15 or 20 hours per week, and I still handled a heavier case load than the other Union officers. There is no reason why my colleagues could not do the same.

It is my opinion that partnership and a self serving Union have severely damaged the Agency. Employees dislike pass /fail ratings. Award panels have caused friction among employees and are universally viewed as unfair and an invasion of privacy. Managers are powerless because they do not have the ability to reward or discipline employees. These misguided policies are affecting the Agency's ability to serve the public and should not be allowed to continue.

I would encourage your committee to take action to eliminate pass/fail ratings and award panels. I would encourage you to end partnership or severely limit its scope. I recommend that Union activists spend at least 50% of their time at their government jobs. I would also recommend that managers verify that official time is spent only on Union activities.

In conclusion, I believe that the issues of partnership and Union activity at SSA have a dramatic effect on employee morale, and therefore, are as important as any issue facing the Agency in the coming years. For without the commitment and dedication of SSA employees all of the Agency's initiatives are doomed to failure. Thank you for allowing me to express my concerns on this issue.

Chairman BUNNING. Mr. Beckstrom, please.

STATEMENT OF JIM BECKSTROM, COMPUTER SPECIALIST, OFFICE OF SYSTEMS, SOCIAL SECURITY ADMINISTRATION, BALTIMORE, MARYLAND

Mr. BECKSTROM. Mr. Chairman and Subcommittee Members, my name is Jim Beckstrom. I am computer specialist in the Office of Systems at the Social Security Administration headquarters in Baltimore. I've been a computer specialist since 1981. Before that, I was a Social Security claims authorizer for 10 years beginning back in 1971. I am member of AFGE local 1923, and I am the bargaining unit cochair of the Office of Systems Partnership Council.

The Office of Systems handles computer programs and operations for Social Security nationwide. My own job involves establishing and maintaining Social Security numbers and earnings records for millions of Americans. A few years ago, it could take as long as 2 years to correct someone's earnings record. Now, we can do it within a week. We in Systems are proud that we have anticipated and addressed potential year 2000 computer problems early, and that today Social Security is a model agency in its readiness for the new millennium. I'm proud of the work that my office does, and I be-

lieve that our Systems Partnership is a powerful tool in addressing the issues before us.

I would like to thank the Subcommittee for giving me this opportunity to speak about the value the union brings to Social Security through its partnership with management. As a long-time employee of SSA, I have had the opportunity to experience both the workplace environment before we had our labor-management partnership and the environment we are creating since our partnership began. Under partnership, we share a focus on informally resolving problems and facilitating the work of SSA, rather than fighting and obstructing each other's efforts.

Partnership at the Office of Systems began in November 1995, when we received training that laid the groundwork for our Partnership Council. The Systems Partnership Council has met regularly since February 1996. I believe the Partnership Council has been a contributor to the success of systems at SSA. We recognize that the nature of government work has changed. We must do more with less. While this creates many challenges, it also presents the opportunity to make work more meaningful and satisfying. Our partnership works to help SSA meet these challenges successfully, effectively, and humanely.

Like all organizations today, our office has gone through several reorganizations to develop the most effective ways to carry out our mission. Even the best thought-out reorganizations are disruptive and can create a great deal of anxiety among employees. In the past, when the union and management saw each other as adversaries and had little trust for one another, reorganizations frequently were contentious and would become bogged down in traditional labor-management roles. Our partnership has worked hard to facilitate reorganizations to make them as smooth and efficient as possible.

We do this by working to identify and address potential problems up front, before they become major stumbling blocks. The union helps bring the ideas and insights of frontline workers to the process, avoiding costly mistakes or conflicts down the line. We believe that office changes are better planned and better implemented because the union and management work together on them in partnership. It's just common sense: if you talk with each other before making changes, there will be less contention even when people disagree.

Social Security, like other agencies, is trying to change the ratio of managers to employees to be more responsive and cost effective. Part of that process involves looking at team leaders in the workplace. Our partnership is monitoring a pilot program to better define the work of team leaders. We want to ensure that frontline workers are not penalized and that team leaders are focused on project accomplishment and less on administration—in other words, doing the work rather than writing about it.

One of the important issues our partnership has taken on is communication within the workplace. We established a work group to identify bottlenecks in the flow of information and to find ways to keep employees informed about and engaged in the agency. Our goal is to help connect employees more closely to the mission and

direction of the agency—to foster a sense of ownership in Social Security's goals and mission.

In this era of frequent statutory change, technological innovation, shrinking budgets, and with more expected of each employee, it is vital that each worker understand how his or her performance contributes to the organization as a whole. I believe that facilitating communication to increase employees' sense of ownership of their work is a fundamental value of labor-management partnership.

Our partnership works on a broad range of issues, from traditional working conditions to joint efforts to find better ways to deliver service to the American people. I believe that partnership has helped us avoid unnecessary conflicts and focus more on solutions and results. The union has helped bring the knowledge and experience of frontline workers like myself to the process. We have a lot to contribute. Under partnership the efforts of managers, employees, and the union are brought together to find better ways to do our jobs. Of course, as in any other joint effort, there is room for improvement in our partnership, but I believe the best interests of the public, of Social Security beneficiaries, and of all Social Security workers are well served by a continuation of our union-management partnership.

Thank you.

[The prepared statement follows:]

Statement of Jim Beckstrom, Computer Specialist, Office of Systems, Social Security Administration, Baltimore, Maryland

INTRODUCTION

Mr. Chairman and Subcommittee members, my name is Jim Beckstrom. I am a Computer Specialist in the Office of Systems at the Social Security Administration headquarters in Baltimore. I have been a Computer Specialist since 1981. Before that, I was a Social Security Claims Authorizer for ten years, starting in 1971. I am a member of AFGE Local 1923 and I co-chair the Office of Systems Partnership Council.

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PARTNERSHIP AT THE OFFICE OF SYSTEMS

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PARTNERSHIP EFFORTS

Reorganizations

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We do this by working to identify and address potential problems up front, before they become major stumbling blocks. The Union helps bring the ideas and insights of frontline workers to the process, avoiding costly mistakes or conflicts down the line. We believe that office changes are better planned and better implemented because the Union and management work together on them in partnership. It's just common sense: if you talk with each other before making changes, things will be less contentious even when people disagree.

Team Leaders

Social Security, like other agencies, is trying to change the ratio of managers to employees to be more responsive and cost-effective. Part of that process involves looking at team leaders in the work place. Our partnership is monitoring a pilot program to better define the role of team leaders. We want to ensure that frontline workers are not penalized, and that team leaders are more focused on project accomplishment and less on administration—in other words, doing the work rather than writing about it.

Communication

One of the important issues our partnership has taken on is communication within the workplace. We established a work group to identify bottlenecks in the flow of information and find ways to keep employees informed about and engaged in the agency. Our goal is to help connect employees more closely to the mission and direction of the agency—to foster a sense of ownership in Social Security's goals and mission.

In this era of frequent statutory change, technological innovation, shrinking budgets, and with more expected of each employee, it is vital that each worker understand how his or her performance contributes to the organization as a whole. I believe that facilitating communication to increase employees' sense of ownership of their work is a fundamental value of labor-management partnership.

CONCLUSION

Our partnership works on a broad range of issues from traditional working conditions to joint efforts to find better ways to deliver service to the American people. I believe that partnership has helped us avoid unnecessary conflicts and focus more on solutions and results. The Union has helped bring the knowledge and experience of frontline workers like myself to the process. We have a lot to contribute. Under partnership the efforts of managers, employees, and the Union are brought together to find better ways to do our jobs. Of course, as in any joint effort, there is room for improvement in our partnership, but I believe the best interests of the public, of Social Security beneficiaries, and of all Social Security workers are well-served by a continuation of our union-management partnership.

Chairman BUNNING. Thank you.

Mr. Schampers.

STATEMENT OF JIM SCHAMPERS, DISTRICT MANAGER, SOCIAL SECURITY ADMINISTRATION, WACO, TEXAS

Mr. SCHAMPERS. Good morning, Mr. Chairman and Members of the Subcommittee.

I am the district manager of the Waco, Texas, Social Security Office, and I have served in this capacity for 11 years; and have been

an employee of the Social Security Administration for over 25 years. During my tenure with SSA, I have served in many positions and in seven different districts.

I am here today in response to a request from the Subcommittee to discuss the use of official time in Social Security.

In 1996, GAO conducted a study on official time, and that study verified that SSA had 145 employees who had been taken out of production and were working full time for the union. These employees were doing absolutely no work under the job description under which they were hired and being paid. In addition, the study verified that there were 1,800 other employees working part time in union-only work.

Yesterday, the head of OIG told you that the number of full timers had remained close to the same in fiscal year 1997, at 141 employees. But the number of other employees who spend time in union activities had grown from 1,800 to 2,144. OIG also reported that the stated costs of these union activities totaled $14.7 million. And please let me point out to you that this cost does not include the cost of union time spent in partnership activities; this is only in representational activities.

To put this in perspective, I come to here from—to this meeting from Texas, and, like other States in the Southwest we're going through record—a record heat wave with no rain. And if you drive the highways in Texas, you'll see brown and dried up fields, where many farmers are threatened with bankruptcy. Based on the $14.7 million costs that OIG identified, and by the way, which a lot of us consider conservative, it would take the FICA taxes of about 9,000 farmers to support the union activities, and more when you factor in the time spent in partnership activities.

At the beginning of this decade, we only had a few dozen or so employees spending their time on union work. Now, only 6 or 7 years later, the number of employees spending time—their time in the union and union activities has grown to over 2,000. Now, contrary to what was said this morning, I am not against unions. I really do believe that we need a union in this organization, and there is definitely a role for the union in SSA. But I, like the many hundreds of managers I've talked to in the last 3 or 4 years, have problems with the way official time is used in that there are no controls. And all what we're asking for is just better and tighter controls in the process.

SSA is slated to lose 4,500 employees in the 5-year period that ends in 1999. While we're downsizing to meet this goal, we're also losing production employees to the union. And during this same time, our workloads have skyrocketed, with an aging baby-boomer population, increased disability claims, welfare reform, increases in continuing disability reviews, SSI high risk cases and their attached redeterminations, prisoner workloads, and numerous other programs and requirements which have been added to our job in the last several years.

Common sense would tell us that while we have a shrinking staff resource, we should have a corresponding decrease in the representational positions in SSA. But we're seeing just the opposite happen. During the time of our dwindling resources, we have seen an explosion in the number of employees working in union-only activi-

ties. We believe this happens mainly because our bank time system within this agency and the union's ability because of this to designate any employee at any place at any time to work as a full-time union rep or part-time union representative with no management control and with no regard to agency needs.

The agency has implemented new procedures to track union time, and hopefully these will yield better information. But our bank time procedures, I believe, are the basis for many of our problems; and basically, what we're saying is that the official time used is a budgetary issue. And this agency needs to control its budget, its staff. Congress dictates staffing positions for all parts of this organization, and this is one area where no one but the union can control who becomes a member or an employee of the union.

I'll be happy to answer questions later on.

[The prepared statement follows:]

Statement of Jim Schampers, District Manager, Social Security Administration, Waco, Texas

I am the District Manager for the Waco, Texas Social Security Field Office. I have served in this capacity for 11 years and have been an employee of the Social Security Administration for over 25 years. During my tenure with SSA, I have served in many positions in seven different districts and have served in a management capacity for 22 years.

Like thousands of front-line managers and employees across the country, I am extremely proud to be a part of SSA's unique tradition of public service. I love my job and this agency and I want to see SSA prosper so that we can continue to provide the quality of service we provided in past years.

I am here today in response to a request from this subcommittee to discuss the use of Social Security trust funds to pay for employee union activities. Specifically, I will address the activities of Social Security employees who conduct union business on official time.

In 1996 GAO, reported showed that SSA has approximately 160 employees who perform no work for the agency, but instead spend 100% of their time in union activities. In addition, GAO verified that over 1,800 other employees spend from 25% to 75% of their time in union activities. The GAO report also pointed out that SSA spends up to seven times more money per represented employee than any other agency. And, like the many, many other managers in SSA, I believe these numbers are not only conservative, but are growing. In fact, at the beginning of this decade we only had a few dozen full-time and part-time union employees. Now, only a few years later, literally thousands of employees work either full time or part time in union activities.

Under mandated streamlining requirements, SSA is slated to lose 4,500 employees before the end of 1999. We have been downsizing in our efforts to meet this goal. However, while losing production staff during the last few years due to streamlining, we have lost even more production employees to the union. In the meantime, our workloads have skyrocketed with the aging of the baby boomer population, Welfare Reform, SSI High Risk Redeterminations, increased Continuing Disability Reviews, Prisoner workloads, and numerous other added programs and requirements. I believe that permitting union employee expansion at this critical juncture is ill-advised. In fact, the opposite should happen. As the agency loses employees, we should need a smaller representational staff and we should strive to keep our resources in production serving the American public.

PARTNERSHIP

You asked me to present my understanding of the definition of Partnership and my experiences and perspective on the impact of Partnership.

In 1993, President Clinton issued a directive to Federal agencies mandating the establishment of partnerships between the union and management. The concept of partnership, as I believe the President envisioned, was good in that it asked management and the union to work in close cooperation in streamlining processes, improving service and resolving problems. However, in reality, we have not fully achieved that spirit of partnership. At the national and regional levels, we have achieved some success through our partnership councils, reaching agreement in

some areas in which we had before been unable to reach agreement. But, in general, I believe that local field offices have not fully realized the benefits of Partnership.

In my opinion, Partnership is not yet fully successful for several reasons:

1. Early in the process, agreements were reached between the agency and the union establishing partnership councils only at the national and regional levels. Local field offices have historically enjoyed close working relationships, (informal partnerships), in which the local union steward, employees and management worked together as a cohesive team in resolving problems, improving processes and finding better ways to serve the public. We did not call it "Partnership," but that is exactly what existed in every successful field office operation.

When the Partnership Councils were established at only the national and regional level, both local management and employees were excluded from the Partnership process. The unstated message was clear that Partnership was something that existed only between top agency officials and the union.

Adding to that perception was the clear message given out by the union that there were to be no partnership activities at the local level. In fact, the union filed a grievance against SSA's use of teams in field offices and many of our long existing local workgroups which had served us well in the past were now labeled by the union as "teams" and we were told to cease and desist with those activities. When that happened, local cooperation was stymied.

2. The second and probably most important impediment to full partnership is the fact that the union and the agency have different goals. While the agency's goal is clearly service to the taxpayers, the union's goal, as stated by the past President of AFGE, is union building. With such divergent goals, Partnership at the national and regional levels does not always work smoothly and it may be years before we consistently reap benefits at those levels.

On the other hand, it has been my experience that local field office union stewards tend to share the same aims as local management. They are actually performing the job and want to cooperate in improving our service and worklife. Truly successful Partnership must begin at the local level.

3. Another reason partnership has not been fully achieved, I believe, is that union employees do not seem to be bound by the same Standards of Conduct all other employees must follow. It is not uncommon for union officials to resort to name calling and abusive language (while on Official Time), then hide behind the phrase "robust discussion." I had a situation in my own office in which a visiting union employee called me a "goddamned monkey" and threatened me with the statement, "Don't you know who you are dealing with? Boys like you end up missing and even your family will never find you. You know what I mean, boy?" This statement was made while he was poking his finger in my chest. When I filed a grievance on this issue, the union responded by saying it was acceptable language because it was robust discussion. Both the contract and our Standards of Conduct require employees to behave in a courteous and non-threatening manner. Appointment to a union position should not exempt the representative from this basic requirement.

While union employees are permitted to talk to management or any other employee in this manner at one moment, it is difficult to consider them full partners in the next moment.

OFFICIAL TIME

You asked me to describe how official time is granted and monitored.

Several years ago, the agency and the union reached an agreement which established a national bank of hours to be used by union employees in representational activities. The bank of hours was set at 100,000 hours per year and it was envisioned that this bank of time would be sufficient to cover all union representational activities. Time actually spent in bargaining was not to be counted in the bank. However, from a Field Manager's perspective, we see at least three major problems with the bank procedure:

1. The bank was set up to be cumulative in that any unused hours in the bank would be carried over and added to the next year's new allocation. For example, if there were 50,000 hours left in the bank at the end of the fiscal year, then the union would have 150,000 hours at it's disposal next year. The agency, on the other hand, must use all of it's money in the fiscal year or lose it. Because bank hours can only be used for employee time, they are funded directly out of our staffing (FTE) budget. The union's ability to carry over bank hours actually commits the agency to future staffing levels for the union, long before Congress even approves a budget or staffing levels for the agency.

Because of the cumulative provision in bank hours, there is no incentive on the part of the union to accurately report bank time usage. In fact, the incentive is to

under report bank time so that their stock of bank hours continues to grow. The bank balance has grown now to the point that it far exceeds the annual 100,000 hour allocation.

2. Dispute situations frequently arise in which the union reports time in one of the bargaining categories and management believes the official time usage should be deducted from the bank. In cases such as this, current procedures require SSA to voice the complaint with the union, then the union decides whether it has reported incorrectly. If the union fails to reverse their decision, the agency's only recourse is file an Unfair Labor Practice (ULP) complaint. The agency has a history of never filing a ULP against the union, hence, the union rarely reverses their decision.

This situation happens frequently. For example, in one office a union representative left his office for five days and visited other offices. In those offices, he stayed in the breakrooms until employees came in, then he visited with the employees, but had no contact with the office managers. Upon return to his own office, the union representative presented the manager with a SSA–75 stating his had spent 40 hours in mid-term bargaining. The agency disagreed with the SSA–75 stating the activities fell into the bank category and the entire 40 hours should have been deducted from the bank. When the case was referred back to the union, they changed the form to charge only 8 hours to the bank and 32 hours to mid-term bargaining. This issue was dropped at this point, even though 32 hours were incorrectly charged to non-bank time.

In another case a full-time union representative in a Teleservice Center routinely charges almost all of her time to "Mid-term Bargaining" rather than to the bank. The manager has protested this flagrant mis-reporting many times and in each instance the case was referred back to the union to review their own decision and each time the union upheld its original decision. The union representative continues to report her hours inappropriately to non-bank time and management has basically given up on the issue. There is a standing joke in the office that the union representative is bargaining with herself again.

3. The SSA–75 is a poorly designed form and does not solicit enough information for management to make a meaningful decision in approving official time. They usually present the SSA–75 with minimal or no information. If questioned, they frequently state we are interfering with union business.

This procedure definitely needs correction. However, it will take legislative action to correct the problem as I believe the agency will never be able to negotiate a change with the union in this area.

The following changes need to be made:

1. Do away with the cumulative provision in the bank procedure. Unused bank hours should expire at the end of the fiscal year in the same manner that the agency's unused staff hours expired at the close of the year. There should be absolutely no carry over in the bank procedure.

2. Establish a new bank allocation and increase or decrease it in subsequent years in direct proportion to the increase/decrease in bargaining unit staff. 100,000 hours is far too excessive as the union has only used a portion of this allocation each year. The new beginning annual allocation should be based on the average bank time used over the last five years. This would factor in the years before SSA began its latest round of staff reductions.

After the new bank allocation is established, it should be assumed that all full time and part time employees' tour of duty hours will be deducted as bank time unless the union establishes to management's satisfaction that their work hours should be charged to non-bank time. Currently, we have many full timers and part timers who report the majority of their time as non-bank categories such as "mid-term bargaining" when managers are not told what the issue was or who they were bargaining with.

3. In dispute situations, the final decision should made by the agency and not the union. Should the union disagree, they can use the grievance procedures for appeal. Currently, disputes are "resolved" by the union. This is completely unacceptable. When the manager states he disagrees with the union and cannot approve the official time, the union then makes the final decision and they approve their own official time! The union has no authority to approve leave, overtime, payroll or any personnel issue, yet responsibility for final decisions on official time disputes rest with the union. This authority should be moved back into the hands of management with the burden of proof shifted to the union in dispute cases.

4. The form SSA–75 should be redesigned and should solicit sufficient information for management to make an informed decision in approving official time.

Congress has mandated that SSA track time spent in union activities. In response to this mandate, SSA developed the Official Union Time Tracking System (OUTTS).

Unfortunately, the OUTTS system only automates the existing poorly designed system. OUTTS did not correct the problem we have with unreported or incorrectly reported official time. Nor does it address any of the other problems mentioned above.

EMPLOYEE MORALE AND REDUCTION

You asked me for my viewpoints on the effect of official time on employee morale and production.

We usually have very little problem with official time used by the local stewards as they represent employees at the local level and participate with management in the bargaining process. We have done this for years, even before official time became a problem. However, official time used by full time and part time employees constitutes and different problem.

During this time of staff reductions, most employees are working so hard that many of them go home in tears at the end of the day. They are frustrated by the work they cannot get to and they despair in knowing that each folder left on the desk at the end of the day represents a claimant who is not yet receiving a check. As we lose people, we are not replacing them and the work is divided yet again among the remaining employees.

With this in mind, think of how our employees feel when they look across the aisle and see a full time union employee reading a newspaper or a novel or playing a video game. Or when they see a part-time union employee with a workload reduced by 50% or 75% while their work is divided among the other employees in the office. Employees know when one of their peers is not performing successfully and requires too much support. A poor performing employee makes everyone's job around him harder. And how do these employees feel when they witness the union designate him as a full-time union representative, preventing further personnel actions.

This happens quite often as, under the bank procedure with unlimited carry over of unused hours, the union can designate anyone at anytime as a full time union employee. In one office, an employee was performing poorly. The office had provided extra training, mentoring, reviews and reduced workloads over a long period of time. In addition, the employee was sent back through the basic training class for a second time. After months of working with this her, it was decided the employee must be removed from the job. She was called in and the manager explained that they had reached the point where she was to be removed from the job and he handed her the official notice with appeals rights. The employee snickered, tore up the notice and threw it back into the manager's lap. She then went on to explain that the notice could not apply to her because she had been designated as a full time union employee. Coworkers now complain because their peer sits around all day reading novels while they do her work.

I must say that we do derive many benefits from the union and in no way want to indicate that we should eliminate their role in SSA. My point is simply that we must control the growth in the use of official time just as we control all areas of our budget.

I hope that I have addressed the concerns which you asked me to address.

Chairman BUNNING. Thank you.

Mr. Hardesty.

STATEMENT OF EDWIN M. HARDESTY, DISTRICT MANAGER, SOCIAL SECURITY ADMINISTRATION, TULSA, OKLAHOMA

Mr. HARDESTY. My name's Ed Hardesty. I'm the Social Security district manager in Tulsa, Oklahoma. I've worked for the Social Security Administration for over 25 years, and I've provided a statement for the record which specifically speaks to the concerns that you asked me to address.

The information that I have provided is from the perspective of a district manager who works in an office that has three full-time representatives. Again, I'd like to clarify that I am not against unions. I have enjoyed throughout my career friendly, cooperative relationships with my union partners. I was asked to address spe-

cifically how official time, as we now have it, impacts our day-to-day working.

In advance of the use of official time, each properly designated union official is to submit a request to the appropriate management official. Official time is to be approved if it's for an appropriate purpose, and the amount of the time requested is reasonable. Official time is not to be approved if it's not appropriate, or if it interferes with critical operational needs. This procedure has worked well with local stewards whose primary function is to provide public service, and who only request official time for a specific purpose. Full-time union officials are not subjected to the same scrutiny. They do not request approval for official time in advance. They submit the approval form after the time has been used. They do not report the nature of their activities.

We recently implemented a system to report official time called OUTTS. It does not change the approval process. It simply involves us inputting the data directly into our mainframe system. It should allow quicker and more accurate summary information, and yet the process remains unchanged. The union officials in my office are presently refusing to provide information concerning the number of bank hours assigned to authorized users. I cannot provide the information that you requested concerning the degree to which official time for union activities is being abused, since I am not privy to the activities of our full-time union representatives.

You asked me for my suggestions as to how our system for dealing with abuse of official time could be improved. For all practical purposes, we have no system in effect to deal with abuses of official time by full-time union representatives. I was told by one of our full-time union reps that it was the intent of Congress that we have a strong, independent, taxpayer supported union that was free from management control and scrutiny and that I, therefore, had no right to be privy to any of their activities. I told him that I would welcome a clear mandate from Congress which would include a formal job description entitled union representative, with outlined appropriate duties.

Today, our full-time representatives occupy positions such as Claims Representative, but perform none of the duties called for by their job description. If it is the intent of Congress to have independent, full-time union representatives supported by tax dollars, I would welcome a clear mandate, then acknowledge that working full time for the union is, indeed, appropriate. And we could eliminate the tremendous stress that we now feel from the present system that presupposes that the primary duties for the staff that we hire and train will be to provide direct public service.

The use of agency time by full-time officials has had a devastating effect on the morale of our staff. Most of our staff members cannot accept the fact that union officials do not work alongside them in providing direct public service. A day never passes when we have a waiting room full of people and backlogged cases awaiting action that someone on our staff does not come to me and ask why our full timers cannot be required to help out.

I enjoy a friendly personal relationship with our full-time union representatives. The problems that we face in dealing with the use of official time are largely systemic. If we want to improve in this

area, we must deal with the problem upstream with systemic improvements, rather than addressing individual occurrences.

I hope that I've addressed the concerns that you have asked me to discuss. And I'll be happy to answer questions.

[The prepared statement follows:]

Statement of Edwin M. Hardesty, District Manager, Social Security Administration, Tulsa, Oklahoma

Mr. Chairman and Members of the Subcommittee:

My name is Edwin M. Hardesty. I work in the Tulsa, Oklahoma District Office of the Social Security Administration. I am the District Manager. I have worked for the Social Security Administration for over 25 years. I am here today, not as an official spokesperson for the agency, but in response to the subpoena that I received. In order to address the issues to which you have required me to respond it is necessary that I provide a brief explanation of our agency's official time policies.

Use of official time is authorized by Article 30 of our bargaining agreement. It outlines specific procedures for the approval and use of official time. Official time is to be used by union officials designated in writing to appropriate management officials. Management officials are also to be notified in writing of bank time allocations for each union official. Non-bank time is only to be used for specific activities, which include term bargaining, mid-term bargaining or consultation on management initiated changes, FLRA and Merit Systems Protection Board proceedings, representing employees with formal Equal Employment Opportunity complaints, and working on management initiated grievances. Agency time is not to be used for internal union business. In advance of the use of official time each properly designated union official is to submit a request to the appropriate management official. Official time is to be approved if it is for an appropriate purpose and in an amount that is objectively reasonable, provided that it is to be used at an appropriate time and place. Official time cannot be approved if it is not appropriate, or if it interferes with an operational exigency.

This procedure has worked very well with local stewards whose primary function is to provide public service, and who only request official time for a specific purpose that is properly documented for the approving management official. Although higher union officials may not provide the required notice of bank time allocations, local stewards have generally worked in close cooperation with management to ensure that public service is not compromised by the use of official time.

Full-time union officials are not subjected to the same scrutiny. These are individuals who are hired and trained by the agency to do agency work, but who abandon their agency responsibilities to work full time for the union. Although they do no agency work, they retain their agency job title, salary, and benefits. The agency also provides all support in terms of supplies, postage, equipment, space, telephone service, fax service, photocopy machines, and other typical office support. There are no agency restrictions on the number or location of full time union officials. A union official can simply designate a person to be a full-time union official, and the person can abandon their workload the following day. They are not required to give the agency any explanation as to why the person will no longer be doing agency work, nor are they required to explain in detail what the person will be doing. There are three full time union officials in my office in Tulsa and another one in the Muskogee, Oklahoma office, which is about 45 miles away. These persons do not request approval for official time in advance. They spend all of their time engaging in union business and submit the approval form, the SSA–75, after the time has been used. They do not report the nature of their activities. They simply self-report after the fact the breakdown of agency and bank time. In the 3½ years that I have worked in the Tulsa office, I have never been given a bank time allocation by name by a union official. I, therefore, have no way of knowing the balance of bank hours for any union official.

We recently implemented a new system to report official time called OUTTS, or Official Union Time Tracking System. In order to support this new system for reporting official time it was necessary for the designated union officials to provide information as to the allocations of bank time assigned to each union official. The appropriate official refused to provide the information, and I had no recourse to require that it be provided. For full-time union officials I have no controls available to me to ensure that their time is being used appropriately, or that the number of hours authorized users use complies with the criteria in the contract. I have no knowledge of their activities, other than those during which I am directly interfacing with them. These instances are rare. I have no controls over the use of agency

time by full time union officials. I cannot provide the information that you requested concerning the degree to which official time for union activities is being used in compliance with agency regulations, since I am not privy to the activities of our full-time union representatives.

The use of agency time by full-time union officials has had a devastating effect on the morale of our staff. Our workloads are building and our resources are dwindling. It is disheartening for staff members to be faced with backlogs of pending items, overflowing waiting rooms, and telephone calls that need to be answered or returned while they see employees that cannot be required to assist in processing the workloads.

Allegations of abuse of official time are to be brought to the attention of the local management official. The management official is to then discuss the matter with the local or council president as appropriate. Allegations can then be referred to higher management officials. This process is ineffective, since full time officials are not required to discuss the substance of their activity and there is virtually no way do verify their allegations. Pursuance of abuse of official time allegations by full-time union representatives is virtually non-existent in my experience.

You asked me for my suggestions as to how our system for dealing with abuse of official time could be improved. In our present structure with our full-time union representatives we, for all practical purposes, have no system in effect to deal with abuses of official time. Through past practices they have been exempted from the policies and scrutiny that is applied to our stewards whose primary function is to do agency work. I was told by one of our full-time union representatives that it was the intent of Congress that we have a strong, independent, taxpayer supported union that was free from management control and scrutiny, and that I, therefore, had no right to be privy to any of their activities. I told him that I would welcome such a clear mandate from Congress, which would include a formal job description entitled, union representative, that outlined appropriate duties. Today our full-time union representatives occupy positions such as claims representative, but perform none of the duties called for by their job description. If it is the clear intent of Congress to have independent full-time union representatives supported by tax dollars, I would welcome a clear mandate. We could then acknowledge that working full-time for the union was indeed appropriate and we could eliminate the stress that we now feel from present system that presupposes that the primary duties for the staff that we hire and train will be to provide direct service to the public.

You requested that I share with you my understanding of the definition of Partnership, how Partnership time is measured, and its impact on service to the public and employee morale. Partnership refers to the mandate that agencies form Partnership Councils to work in collaboration with their unions to improve service to the public and to reduce the expense to taxpayers that result from adversarial relationships. Partnership Councils have been formed at various levels of our agency and have worked on several issues. Throughout the over 18 years that I have been a manager in the Social Security Administration I have enjoyed wonderful, productive, collaborative relationships with local union stewards. Prior to coming to Tulsa in 1995 I had never had a formal grievance, unfair labor practice charge, or EEO complaint filed against me or any subordinate supervisor. Without any formal rules or charters we simply worked together in partnership to solve problems, reduce waste, streamline processes, improve working conditions, and address employee concerns. These informal partnerships were successful because we embraced the same aim. The aim we embraced was to improve service to our external customers, to improve working conditions for our staff, and to be good stewards of the taxpayer's dollars.

In order for the formal Partnerships that we now have in place to be successful, both union and management must embrace the same aim. The aim is not negotiable. Our mutual aim must be to improve service to the public. This is a sacred trust that we share, since the public has already paid in advance for our services through their tax dollars. Partnerships break down and become ineffective and even more expensive when a mutual aim is not shared. I was told by a full-time union representative that the primary aim of the union was to see that institutional union rights were maintained and that the union was strengthened. Without a common aim a truly effective Partnership is jeopardized. I cannot say that our formal Partnerships have significantly improved service to the public or employee morale. We have recently implemented a Partnership/Labor Management Relations Activities Time Accounting Form to track formal Partnership time. I have not yet seen any summary data from this new accounting procedure.

I enjoy a friendly personal relationship with our full-time union representatives. The problems that we face in dealing with the use of official time are largely systemic. If we want to improve in this area, we must deal with the problem upstream

with systemic improvements rather than in addressing individual occurrences. I hope that I have addressed the concerns that you asked me to discuss.

Chairman BUNNING. Thank you, Mr. Hardesty.

I'll start the questioning by asking anybody on the panel to respond in whatever order they want to take.

Yesterday, we heard about a number of Social Security offices in New England who for 20 years, and through this Christmas, will be given up to four hours on the taxpayer to go Christmas shopping. Do you think that's right, wrong, or do your offices do that or is it in part of your collective bargaining agreements around the country? Yes, sir, Mr. Reusing.

Mr. REUSING. It's not part of the——

Chairman BUNNING. Please, please put the mikes up to your mouths, because you almost have to eat them.

Mr. REUSING. It's not part of the collective bargaining agreement. It is a common practice. I don't believe it was originally intended for people to go Christmas shopping. In central office, there's such a large amount of employees and because of the holiday, I believe that the original intent was to clear people out of that area for traffic concerns and safety concerns, because of the heavy traffic. And I don't have a real in-depth knowledge of that reason why it was originally started, but it does exist; and it's not part of the agreement.

Chairman BUNNING. Anybody else?

Mr. HARDESTY. That's not a practice in our office.

Mr. SCHAMPERS. It's not a practice in my office, and I don't think it's a practice in my region. I can't speak for other regions. In terms of do I believe it's correct, I would not do that in my office.

Chairman BUNNING. Mr. Beckstrom.

Mr. BECKSTROM. No, it's not a process—part of.

Chairman BUNNING. What do you think union officials are doing on official time? How could a union official work part time at another job, like at Camden Yards ballpark? How could this happen? Do you know of union officials working part-time jobs on official times—official jobs elsewhere other than at the agency?

Mr. BECKSTROM. I have no knowledge of that. I never encountered it.

Chairman BUNNING. Anybody else?

Mr. REUSING. Yes, I've had union officials over the years tell me that they worked other places. I've been made aware that union officials have been caught doing this, though I didn't catch them myself. It was just the general knowledge around the union office.

As to how it could happen? If I went on official time today, and remember I was offered 100 percent official time, I could be out on my boat. I could be working another job, because my manager wouldn't dream of asking me where I'm going. My only requirement is to sign-in in the morning, tell them I'm going on official time, and that's as a steward, not as an officer. As an officer, I'm only required to sign in and sign out for my shift. What I do in between is kind of up to me.

Chairman BUNNING. Mr. Reusing, Mr. Schampers, you have both been threatened. Can you tell us about your experience? From

what I know of it, it sounds like a blatant intimidation. There is no place for that kind of behavior and particularly in our government system and in the workplace. So if you would like to share with us.

Mr. SCHAMPERS. My personal experience happened about 3 years ago. We had a visiting full-time union officer come to our office and with that person came a full-time AFGE employee, who's not a Social Security employee, but at that time worked with Social Security offices and Social Security officers, but was an AFGE employee.

And when they came into my office, they took over the break room in the lunch room, and they had before agreed with me that they would not set up there but would set up in an adjoining room, which was right next door, which is our training room. And I'd had several employees who had complained about them blocking their use of the lunch room in times past. And so, we had agreed before this meeting when these people came to visit that they would set up next door instead of taking the break room. And so one of the employees came to my office and said, you told me I could eat lunch there today, but they're there again. You told me they wouldn't be there. And I said let me go talk to them.

So I went up to the lunch room and asked them to move next door. They had already set up in the room next door, but then they were in the process of moving it into the lunch—their decorations and equipment and displays into the lunch room. So I asked them if they would move back, based on our agreement. And I was referred to as a monkey. Vulgarity was used. And basically, when I insisted that they move, the union employee used his finger to poke me in the chest and said you better be careful. People like you end up missing, and you're talking to the organization that can make it happen. Do you understand what I'm talking about, boy? And I put my hand in front of my chest and pushed his finger back and said, is this a threat? And his response was basically, a threat? It may not be a threat, but you damned well better listen to it.

And I later filed a grievance against this, for it broke every rule that we have in our contract and also in Federal guidelines in treatment of Federal employees. The union responded to the grievance, saying it was robust discussion. Our agency chose not to take it any further than that. The next step would have been to go to arbitration, and our agency chose not to go to arbitration on that issue.

Chairman BUNNING. Mr. Reusing, go ahead.

Mr. REUSING. Last year, I tried to start a union reform committee. And we proposed changes to our constitution. That led to a rather bitter campaign. Then immediately following that, we had our general election for president and other key officers, and things intensified at that.

During that period of time, my tires were slashed in a manner so when it reached on the inside of the sidewall and scored the tires. So they didn't go flat immediately, but I had a blow out on the road. Both tires were damaged.

Two days after that, a member of the reform committee received a rather serious operation, and because he has a heart condition he was in intensive care. A union activist called him while he was

in intensive care because he may have had a heart attack, and threatened him; said that they were going to get even. He better stop being involved in union reform. I would consider that a form of assault. I have received numerous phone calls in the middle of the night—sometimes 30 or 40 a night. Other people who have run for office on the union reform platform have had their cars damaged—about four others—they also received threatening phone calls—actually, annoying phone calls in the middle of the night.

That's been about the extent of it. OIG officials and officials from the Federal Protective Service had met with us to discuss our security. So I think the agency is taking it serious.

Chairman BUNNING. Thank you. Mrs. Kennelly may inquire.

Mrs. KENNELLY. I thank the witnesses for their testimony.

Mr. Schampers, after that robust conversation incident, did anything else ever happen?

Mr. SCHAMPERS. No, ma'am. I, at that point, was ready to eject this person from our office, but I thought before I do this with the union, I'd better call my regional office for guidance. And the response I got was let it go. And we did.

Mrs. KENNELLY. I've listened very carefully to the testimony, and obviously some of the things were very upsetting. But there also is a little bit about the dog bites man in stories about employee and management relationships. There are good managers. There are bad managers. There are good employees. There are bad employees. And, I don't know, I've had a long work experience, and I would be surprised, and I think the public would be surprised, if there were no manager-employee problems in the workplace, especially a large Federal agency. Many, many workplaces have situations that escalate and cause real stress.

But I thank you for telling us about the ones that you have experienced.

Mr. Schampers, again. You indicate that some success has been achieved through partnership councils at the national and regional levels, but you claim that truly successful partnerships must begin at the local level. Now, I have two questions for you, do you think that the local officers should have the freedom to design their own partnership relationships? And would you say that partnership efforts are likely to vary depending on the needs of local offices?

Mr. SCHAMPERS. I think that would be yes to both questions. We have achieved some success through partnership at the national and regional levels. But, as our instructions are basically, that we're not to have partnerships at the local level at this point.

Before partnership was ever coined as a phrase, we had partnerships at the local level. I could work with my employees, my union representative, the management members, and we would get together in work groups or staff meetings or committees to resolve problems and to come to solutions that would benefit everybody, including the taxpayer. This has been going on for a long time. We called it team work. Well, the agency has been restricted from using teams and team work because there's been a grievance filed on that, and we tried to negotiate team work and teams with the agency, but the negotiations broke down. And so until such time that we can successfully negotiate the use of teams in field offices,

we are basically restricted from using teams, team work, work groups for that matter.

And my contention, and what I said in my written testimony was that I can't envision a partnership without team work. That's the basis of partnership in my opinion when people work together towards a common goal, and they work cooperatively with one another, respectfully with one another. Until such time that restriction on teams and team work is lifted, then there's going to be a restriction on partnerships in the field offices. There are, as I understand, some field offices that have gone forward with partnership councils. Those are—that's not a practice across the country, by and large. But I think that's more isolated. Why they can do it and others can't, I don't know. Perhaps, in some of the situations, no one's recognized the fact that it's taking place. But in those offices where they do have partnership councils, I understand that people are working together closely, as we did in times past. And so, my response is yes, we do need to bring this down below the national and regional level and involve employees and the managers at the front line.

Mrs. KENNELLY. Well, your answer contradicts the IG's suggestions that partnerships should be unified throughout the country, with every, local, regional office doing the exact same thing. And I hear——

Mr. SCHAMPERS. Would you repeat that, please?

Mrs. KENNELLY. This was testimony that we had yesterday.

But what bothers me is that what I hear you saying this morning, except for Mr. Beckstrom, is that you don't know what's expected. You don't have answers. You just know people are there, and, in your testimony you say, you can't ask them anything. And you don't know what they're doing. And everybody's all upset about it. And I would think that if we carried out the report and people knew exactly what was expected, and what they were there to do, that it would make a much better situation than the one you've come here today to describe. And I think that's the whole reason we had the partnership study.

Mr. Chairman, I'd just like to mention to everybody in the audience that tomorrow, July 24, we're going to have the union's representation here. And there have been allegations made here this morning that have to be responded to, and certainly responded to on the record.

But I have a feeling they'll be an even a smaller group here to hear that. But I do hope that we can disseminate the records so we get answers to these allegations.

Chairman BUNNING. We do have two union—or one union official, not a member of a union. And also, another member of the union.

Mrs. KENNELLY. Mr. Reusing.

Chairman BUNNING. Yes, he is a member of the union.

Mrs. KENNELLY. I don't think he——

Chairman BUNNING. He is a member of the union.

Mrs. KENNELLY. You bet he is, and he's a survivor.

Mr. BECKSTROM. Am I a union official, is that?

Mrs. KENNELLY. No, I am talking about the testimony that we're going to have tomorrow that I think——

Chairman BUNNING. We're going to have——

Mrs. KENNELLY. What?

Chairman BUNNING. Go ahead. We're going to have the AFGE official.

Mrs. KENNELLY. And I do think that they should have the opportunity to respond. And there were allegations made today that have to be responded to. But, Mr. Reusing, I really commend you for your survivorship, and your real strength in standing up to everybody. And we should congratulate you.

Mr. REUSING. Thank you.

Chairman BUNNING. Kenny.

Mr. HULSHOF. Thanks, Mr. Chairman. Before I begin questions, I just have to respond briefly to some of the statements that have been made and part of the questions that already have been asked. I'm concerned and a bit disappointed that some on the Subcommittee are approaching these hearings with a shrug of the shoulders.

Mrs. KENNELLY. Would the gentleman, just for a minute, let me interrupt him? I just wanted to make sure that Mr. Reusing knew I had a little cynicism in that statement. I thank the gentleman.

Mr. HULSHOF. I'm disappointed that Members of this Subcommittee would come here with the attitude that well, there's a shrug of the shoulders and that the majority of those participating in partnership agreements are hard-working, don't abuse official time.

And I'm certainly glad, Mr. Chairman, that the Ways and Means Committee did not take that attitude regarding the Internal Revenue Service. And I recognize that there are Members here who gladly went to the White House yesterday for the signing ceremony of a radical reform and restructuring of the IRS. And I think all of us would agree that the vast majority, the 110,000 employees of the IRS were hard-working too, and yet when we had hearings here on Capitol Hill where people came to testify, we had to disguise their voices and put them behind partitions because they were fearful of retribution.

And so I'm a bit concerned that Members of this Subcommittee would say, well, the vast majority of these offices don't abuse official time. Therefore, we should treat these stories as "Man Bites Dog" stories. And for those of you who weren't privy to the testimony yesterday from the Inspector General, this is not the tip of the iceberg. These are not isolated cases. The Inspector General suggests 25 percent abuse. Now that to me is not just isolated incidences. We're talking about widespread abuse.

Mr. Reusing, is it Reusing or Reusing?

Mr. REUSING. Reusing.

Mr. HULSHOF. Mr. Reusing, after reviewing your testimony, is it safe to assume that you're of the opinion that the union's status at SSA and partnership are not achieving service to our Nation's seniors?

Mr. REUSING. That's correct.

Mr. HULSHOF. Mr. Hardesty, is it safe to assume, given your written testimony, that the activities of full-time union employees have had a detrimental impact on service to our Nation's seniors?

Mr. HARDESTY. It has certainly had a detrimental impact on the morale of my office and it has taken resources from frontline service.

Mr. HULSHOF. Mr. Beckstrom, you work at the SSA's Baltimore headquarters, do you think it's inappropriate for union employees, whose salaries are paid by the hard-working taxpayers of this country, to work at Camden Yards on the taxpayers' dime, is that appropriate?

Mr. BECKSTROM. Of course not.

Mr. HULSHOF. How about shopping or playing golf, collecting records, fishing, or engaging in political activity, as we heard documented by the Inspector General, are those appropriate uses of official time?

Mr. BECKSTROM. Absolutely not.

Mr. HULSHOF. During yesterday's hearing, it was revealed that the AFGE objected to four questions that appeared on initial drafts of surveys sent to SSA employees. One of the questions was as follows: "What are typical union activities for you and what portion of your official time do you spend on each?" Do any of you care to offer an opinion or speculate on why AFGE would object to this question? Mr. Beckstrom?

Mr. BECKSTROM. I missed the first part of your question. You're saying the survey was—could you repeat the——

Mr. HULSHOF. Sure. The AFGE objected to four questions that appeared on initial drafts of surveys. The surveys were sent out by the Inspector General——

Mr. BECKSTROM. OK.

Mr. HULSHOF [continuing]. In an attempt to find information. And one of those questions was "What are typical activities for you and what portion of official time do you spend on each?" And the AFGE objected to that question on the survey. Why do you think that is?

Mr. BECKSTROM. That would be speculation. I don't really know.

Mr. HULSHOF. Mr. Reusing.

Mr. REUSING. I would think that their major reason they wouldn't comment is because they really don't know either. I, as an officer, had about 10 or 12 stewards under me, two or three I could find. The others may be on official time, they may not be official time. But I didn't see them sometimes from one week to the next. Some of my fellow officers were frequently missing in action.

But I would caution you about putting too much faith in the OIG report. The reason for that is I read that they said there was 145 full-time union activists. Well, that's obviously the officers that are full time. I was a full-time officer, but I did not use that time. That's probably unique. There are many other stewards, not officers, who should receive eight hours per week official time and then they can get additional official time for bargaining, arbitrations, things like that. They also get thousands of hours of official time for EEO activity. In other words, if an employee comes in with a complaint, I could decide that it was an EEO matter; and I could pursue it under the EEO statutes and not count it toward the union budget of official time. And there's no one doing anything about that.

Another abuse of the EEO process, when the award panel started and your fellow employees got to decide whether or not you received an award, some of the employees who felt they weren't properly treated filed EEO complaints because the unions, well, we

can't grieve this because we're part of the process. Some grievances were filed but they really weren't successful. I and some others tried to get people their day in court by filing EEO complaints. He had to file under EEO, a more expensive process to the taxpayer, just to get people their day in court.

Chairman BUNNING. The gentleman's time has expired.

Mr. HULSHOF. Thank you, Mr. Chairman.

Chairman BUNNING. Mr. Neal.

Mr. NEAL. Thank you, Mr. Chairman. Are any of the panelists aware of any collective bargaining agreement in your respective regions that grants time off for Christmas shopping?

Mr. SCHAMPERS. No, I'm not, no.

Mr. NEAL. No. So it was never part of any patterned bargaining?

Mr. SCHAMPERS. No.

Mr. HARDESTY. I was not aware of that practice until this morning.

Mr. SCHAMPERS. Right. I've heard about it but I'm not——

Mr. NEAL. So if it were to take place, it was taking place outside of the collective bargaining agreement, would that be your hunch?

Mr. HARDESTY. Yes, sir.

Mr. SCHAMPERS. I would guess that it's not part of our contract and done during term for bargaining, but if there's an agreement between the union and management, it could have been done through a Memorandum of Understanding, which is bargaining but not part of the contract. I don't know the details. I don't know how that occurred.

Mr. NEAL. So would you generally grant that it would be up to management to correct, to rectify that sort of a procedure, if, in fact, it were taking place? The management would already have the tools to do something about that?

Mr. SCHAMPERS. If they could correct it. Now, sometimes action is taken to correct it and were reversed later in arbitration based on past practice.

Mr. NEAL. Right. The point I'm trying to raise is—if it took place, and there obviously are some pieces of evidence that it occurred, it took place outside of the collective bargaining agreement?

Mr. SCHAMPERS. Sir, I don't have the details on that situation. I don't know how it took place.

Mr. NEAL. My point again, let me go back to this if I can for a second. If this were taking place outside of the bargaining agreement, then it would be up to management to correct it. Would you agree with that?

Mr. SCHAMPERS. Yes, I would agree with that to an extent. Management sometimes cannot correct problems because of third party intervention.

Mr. NEAL. Right. We have gone through a kind of a new experience here with a bag over the head routine where people sit here with a bag over their head. Some Members of the House, by the way, put bags over their head as a moment of respect for the institution to which they serve to draw attention to themselves. Would you just hunch that in a major corporation, perhaps the size of IBM, that you could bring in a lot of mid-level employees that would be disgruntled or dissatisfied about the manner in which

they were being treated by that company? Would you guess that that might be a possibility?

Mr. SCHAMPERS. I guess so.

Mr. NEAL. See, we bring the bag-on-the-head people in for the purpose of trying to make a point. My point is that that could be done across corporate America as well but we don't undertake that procedure here. But do you think that there might be some disgruntled employees in major corporations across the country?

Let me ask you something, Mr. Reusing. How much vacation time do you get?

Mr. REUSING. Twenty-six days per year.

Mr. NEAL. Twenty-six days. Was that bargained?

Mr. REUSING. I really don't know. I wasn't involved in the unions when that came down. I don't know if that's an OPM rule, or if it was bargained or not.

Mr. NEAL. OK. How much sick time do you get?

Mr. REUSING. I get 13 days per year.

Mr. NEAL. Was that bargained?

Mr. REUSING. Again, I don't have any knowledge one way or the other.

Mr. NEAL. What about bereavement time?

Mr. REUSING. Again, I would have no knowledge. There are OPM rules that apply to all Government employees, and I don't——

Mr. NEAL. OK. Without getting into your specific salary, your wages, were those bargained?

Mr. REUSING. I don't believe Government employees are allowed to bargain their wages. Although I do think that unions do mount campaigns when that comes before Congress, as they should.

Mr. NEAL. Right. And grievance procedure, was that bargained?

Mr. REUSING. That was bargained.

Mr. NEAL. That was bargained. Do you think that these things would have been granted by a happy management team without some suggestion of collective bargaining along the way?

Mr. REUSING. Of course not. However, I also think that abuses in the unions, if they exist, should be dealt with.

Mr. NEAL. There is no suggestion in this quarter that we ought to tolerate somebody working at Camden Yards while simultaneously holding a job as a union representative. There is no suggestion about that. The suggestion instead is that many of the procedures that I have outlined here, some of which you have said were bargained, others you're not sure about, by and large have given a decent standard of living to the employees.

Mr. REUSING. That's correct.

Mr. NEAL. So we've acknowledged that management would not have unilaterally granted these things as just a good wish and an act of goodwill, so collective bargaining is put in place, people negotiated these agreements, and the expectation is in the end that both sides live by those agreements. Is that kind of a general understanding?

Mr. REUSING. Yes, and I would also add that the union has a responsibility to consider the views of its members and bring them forward, whatever those views might be. With the pass/fail rating system, this was not done. The union maintains that they sent out a survey. I can tell you for sure that it was not sent out in central

office because I would have given it out. And when I was fired as a steward, I was saying at a public meeting, the president of the union had told the employees that they had received a survey. And I said, "No, they didn't. We never gave one out." And I was dismissed immediately. The employees' issues and concerns are not always being brought forward by the union or through partnership. And that needs to be resolved.

Mr. NEAL. No, that's reasonable that you outlined that problem and challenge. Let me ask you this if I can: How does the union president become the union president?

Mr. REUSING. The union president has to be elected.

Mr. NEAL. Elected? Management doesn't appoint them?

Mr. REUSING. No.

Mr. NEAL. So it would suggest that in some manner there are employees that are satisfied with the person at the head of the union?

Mr. REUSING. Well, I'm glad we got to that.

Mr. NEAL. So am I. [Laughter.]

Mr. REUSING. Right now we have put before the Department of Labor a protest over our last election. One of the reasons I was dismissed as an officer is because I had 126 blank union ballots that I refused to give over to a high level union official during the election. And this person was a candidate. So I would submit that union officials that are partners with management should be fairly elected because they may, that's to say management may be dealing with people who stole an election. And I'm willing to wait until the Department of Labor makes a decision on that but there is some evidence of that.

Chairman BUNNING. The gentleman's time has expired.

Mr. NEAL. Thank you, Mr. Chairman.

Chairman BUNNING. You're welcome. Let me just—the reason for the hearing is that there is a difference between private and public sector employees to the point of the use of taxpayers' dollars, and that is the only reason we're having the hearing. So disgruntled employees at IBM don't spend taxpayers' dollars in an irrational way. The reason we're having the hearings is that we have found evidence, at least we think we have, of taxpayers' dollars being used in a frivolous way.

The gentleman from Arizona, Mr. Hayworth.

Mr. HAYWORTH. I thank the Chairman, and I would concur that the important distinction is not the fact that—to borrow Mr. Jefferson's phrase, "in the course of human events," there may be dissatisfaction and dispute within the workplace. The central feature we are concerning ourselves with today is alleged abuse—and to use the term of the Inspector General, "abuse," of the taxpayer dollars in personnel decisions. And that is the key distinction.

And I would also note for the record that none of the witnesses today have bags over their heads. No one is trying to run and hide from what appeared real and disturbing problems.

Mr. Schampers, it was suggested earlier with an unfortunate term that the "robust discussion" that you found yourself a part of was akin to a "man bites dog" occurrence in that it was extremely rare but disputes can happen. Do you feel your personal experience

is rare? Do you believe it has been replicated? Have you heard of other situations involving intimidation?

Mr. SCHAMPERS. I've heard of several other instances of abusive or loud language, whether it's life threatening remarks, I can't attest to that.

I would so though—I'd like to respond in your question a little bit to Congressman Neal's question in that I don't come here as a disgruntled employee. I can tell you I'm a very happy Federal employee. I've been very successful in this agency. I'm very happy in the town I live in. You're not seeing my name on promotion lists because I don't intend to leave Waco. I love this job. I love this organization. And it has been good to me, very good to me.

My reasons for coming here today are because I see some problems, not problems with the union, none of us are here today saying we shouldn't have a union. We're saying that there should be some controls in the process. There is a role for unions, but that role is not without restrictions and that includes robust discussion and language and standards of conduct. I think anyone who works for this Government is bound by the standards of conduct and the standards of decency, and we should acknowledge those and be required to follow them.

Mr. HAYWORTH. Just for the record, what was characterized as a "robust discussion" by union officials, where someone took their finger pointing it and putting it into your chest and said that people like you could end up missing—did you consider that robust discussion or a threat?

Mr. SCHAMPERS. I consider that a life threat from an organization that's very powerful.

Mr. HAYWORTH. You also offered, I think, very eloquent testimony giving your dedication to your job. You talked about the farmers in the Waco area and the drought conditions and your ability to put into everyday terms what was going on here. I'd like you to go back to the testimony. I think it was something about the FICA taxes of 9,000 farmers over a certain period of time essentially go to pay for union activities. Is that correct? Was that your statement?

Mr. SCHAMPERS. That's correct.

Mr. HAYWORTH. And I just want to thank you for pointing that up because that is the other key portion of the equation here, the very human equation of American taxpayers and American citizens, who come to rely on Social Security, seeing that money that is supposed to be in a trust fund ends up sadly in what appears to be a slush fund. And I just want to thank you for your comment because I think in that testimony, it's very compelling because you bring into human terms what exactly is at stake.

Mr. Reusing, I want to congratulate you not for being a survivor, but for being one who is willing to say, as you have this morning, you believe in the collective bargaining process but you're for the rights of the individual as well as the right to collectively bargain. Tell more about the offer of 100 percent official time? Could you tell me more about that experience?

Mr. REUSING. Well, I and another steward were going to run for an office on a reform ticket. A high-ranking union official felt that this would be a threat to his career because he was up for election

the following year. And he didn't want that kind of embarrassment. He asked to see me, though we hadn't been talking for a while. And I went down and I was made the offer just as I said. I would be given 100 percent of official time for the rest of my career. I would not have to go back to my desk. All I had to do was not run. Now, I want to point out that there were no additional duties required of this. I just had to not run. I could have been self-employed but still paid by the taxpayer. And that's clearly an abuse and I found it insulting.

I would like to say that there are literally hundreds of union representatives who do not abuse their time. And Federal employees do have restrictions put upon them that you don't have in the private sector. And that was the reason for the taxpayers' granting us official time in the first place. It's a generous benefit for Federal employees. And Congress and the President felt it was reasonable, it was signed into law. My problem is if it's abused that it could be taken away and I think that's a detriment to Social Security employees, Federal employees in general, and because when you have positive relationships between management and union, as this gentleman said, prior to partnership, I think they provide benefits for the taxpayers too. I would not like to see misconduct by my colleagues resulting in the loss of official time.

Chairman BUNNING. The gentleman's time has expired. Mr. Becerra. Not here.

Mr. Levin.

Mr. LEVIN. Mr. Chairman, let me ask a few questions that relate to facts. I don't think there is any difference in the level of concern about abuse on this Subcommittee. And I don't think anybody should mischaracterize it. Since I hadn't said anything today, I know you weren't characterizing my concerns.

So let me ask a few questions about facts. It is a little difficult to get them since we don't have all the parties here. We're doing this not just panel by panel, but day by day. But that's the way this has been structured. So let me just ask—because I'm concerned about any abuse and I want to get the facts.

Mr. Hardesty, you talk a lot about full-time union officials. I'd like to understand what the system is. You're a district manager, right?

Mr. HARDESTY. Correct.

Mr. LEVIN. You say in your testimony, "there are no agency restrictions on the number or location of full-time union officials?"

Mr. HARDESTY. Right.

Mr. LEVIN. So that means in your region there could be 150 full-time union officials?

Mr. HARDESTY. I guess that potentially could happen. I'm not sure how many full-time officials we have in our region. We have three in my office. That's highly unusual. I've worked in, gosh, eight or so Social Security offices and this is the only office I've ever worked in that had any full-time union officials.

Mr. LEVIN. So you're sure there's no regulation, no structure determining how many there will be. So the union could name 200 people. Mr. Schampers, let Mr. Hardesty answer, would you please?

Mr. HARDESTY. Yes, there is no—to my knowledge—there's no number that is allowed in terms of full-time union officials. There are some restrictions in terms of bank hours. Bank hours are representational hours that can be used for specific purposes. There are allocations for bank time that can be delegated to union officials to use. So in theory there would be a possibility if the officials were using solely bank time, that that time would run out and, therefore, there could be no other officials. The problem is that the decision as to whether the time is charged to bank time or to agency time, under our present system is the purview of the person using the time. They just report it.

Mr. LEVIN. So you're saying the number of full timers, as some of you called it, would be governed by the hours that could be banked for time relating to union or organizational functions?

Mr. HARDESTY. Well, union or organizational functions, internal union business is not approved official time. It's neither bank nor agency time.

Mr. LEVIN. So you're sure that a union could name 25 people full time and there would be no restriction on that?

Mr. HARDESTY. Well, I'm not sure of specifically what the union can do.

Mr. LEVIN. But you say there are no agency restrictions, I think we better ask the panel that comes here tomorrow. I find that if there are no restrictions that a union could name 500 people, there's a problem.

Let me ask you also, you say, "For full-time union officials, I have no controls available to me to ensure their time is being used appropriately." Under the old or new system, is there any requirement that full timers, as some of you have labeled them, must enter some information about what they're doing?

Mr. HARDESTY. They're to report to us the number of hours that they spend and whether those hours are agency time or bank time. And they do give us that report. But in terms of the specifics of what they're doing during that time, I have no way of knowing nor do I have any way to verify when they report it.

Mr. LEVIN. They're not required to specify anything?

Mr. HARDESTY. They're not required to—our policy says that in order for me to approve official time, they're to tell me enough about their activity to enable me to make a decision as to whether it's appropriate. And that's the way it historically has worked. And the way it works today with the stewards that I work with. The full timers don't request advanced approval of official time. They just work it and after the fact.

Mr. LEVIN. They report?

Mr. HARDESTY. They report, "I worked *x* number of hours bank time. I worked *x* number of hours of agency time."

Mr. LEVIN. They don't have to say what they did?

Mr. HARDESTY. No, that's our practice.

Chairman BUNNING. The gentleman's time has expired. The gentleman from Ohio, Mr. Portman.

Mr. PORTMAN. Thank you, Mr. Chairman. Another very troubling piece of information there that I didn't see in the IG's findings that there doesn't have to be any kind of specificity as to what happens on official time.

Let me just say that one of the union senior officials was quoted perhaps inaccurately, but I doubt it, as saying that these hearings are "political theater." Having sat through yesterday and sat through today and heard your testimony and the questions, it's not political theater. We're responding to very serious and a very troubling report from the IG's office before the GAO of massive lack of accountability really as to how taxpayer dollars are being spent. I want to thank all four of you gentleman for being here today. Let us pursue it.

Let's just review it quickly though. The IG said that 25 percent of the managers at SSA do believe that there is abuse of time used on union activities. And 20 percent of them said they did nothing about it. And why? Because they felt no one was interested.

That alone, Mr. Bunning, is a reason to have this hearing, and I thank you for it because we want everyone at SSA to know we do care. We care about what happens at SSA and we care about the good workers. And, as was noted earlier today, we've just come through this IRS practice, most of the people at SSA are trying hard to do a good job, they're working hard, they're doing the right thing. And they're being tarred with the abuses from the other workers. We want them to know, the good workers, we're with them and that's why we're going after this. And I think it's very appropriate and not political theater at all, but rather it's our responsibility.

We also found out from this report that there are obviously very inadequate controls on all sorts of things including ensuring that the authorized number of union reps are not exceeded, the amount of time and so on. I'm very troubled that the union challenged the legality of the review, and basically advised union officials not to cooperate. So that's kind of where we are.

In 1993 GAO did a report, and found there was about $6 million spent on union activity. In 1996, 3 years later, with only a 1 percent increase in the work force, we have 145 percent increase in the amount of dollars spent on union activity. And, as was said earlier, that does not even include some of the cost of union time because it doesn't include the cost of union time in partnership activities. So the $14.7 million that 9,000 farmers paid in payroll taxes is actually a conservative figure. It's actually more than 9,000 farmers whose payroll taxes went to support union activity. And my point, again, is that we need to look at this 145 percent increase in 3 years with basically a flat work force. Eighty-one percent increase in the number of full-time union representatives in 3 years. These kind of figures are very disturbing. A 53 percent increase in the hours of Government time used for union activities.

The most disturbing thing I heard today really, Mr. Hardesty, came from you and that is the fact that, as you said in response to a question, and in your testimony you get into this, that resources are being taken away from front lines. You talked about the fact that people were waiting in line. I assume these are senior citizens who are coming forward to try to figure out something about their benefit check, trying to get information, who are ending up waiting in line while full-time SSA employees are doing full-time union work, and not, therefore, able to deal with those waiting

lines. Can you get into that a little more and tell us what's going on in your office?

Mr. HARDESTY. Well, we have backlogs in many areas. We have, as you well know, we provide service in a full range of Social Security business, everything from issuing Social Security numbers to the Supplement Security Income program, and now we're doing more re-determinations on that program, continuing disability reviews, retirement survivors disability claims. And those resources are pinched.

Mr. PORTMAN. So you've got backlogs. Do you have waiting rooms that are full? Do you have phones that aren't being answered? Do you have that kind of a problem?

Mr. HARDESTY. Well, we have—yes, we do have those things, but what we've chosen to do is to take our claims representatives, who normally would spend a good portion of their day in adjudicating benefits, and we've moved them up to the front line. When the waiting room gets full, we don't let people wait. We'll pull someone off their desk, and we'll go up there and we'll take care of the people that are there waiting for us.

Mr. PORTMAN. But at the same time——

Mr. HARDESTY. As a result, if something builds up, they don't——

Mr. PORTMAN. Three full-time union folks in your office and you don't know what they're doing and you, frankly, don't have the ability to approve or disapprove what they are doing at the time when you're having to pull people off other jobs to go onto the line to respond to questions from seniors?

Mr. HARDESTY. That's correct.

Mr. PORTMAN. And to answer phones and to help people with their concerns.

Let me just ask one more question, if I could, of Mr. Reusing. And I appreciate the courage of all of you coming forward. Mr. Reusing, as a union officer, I particularly want to cite you. You mentioned that you have some evidence of people not doing SSA business or union business while on official time, but instead working at the baseball park or selling real estate and so on. Do you or any other panelists have any evidence of any union activity, union officials who would be engaged in political activities while on official time?

Mr. REUSING. As a steward, I attended training meetings that we would organize. And stewards from all the locals would attend. And there would be talk of upcoming elections and initiatives to support as well as candidates, union dues are spent on political contributions even though a high-ranking official came before this committee in June of 1996 and stated that that wasn't the case, that we had a special PAC fund. My local doesn't have a special PAC fund. The check that he was talking about came right from our general bank account. So I've seen political activity in the union office, yes. And those political views might not be the views of our members. We shouldn't be involved.

Chairman BUNNING. The gentleman's time has expired.

Mr. Johnson.

Mr. JOHNSON of Texas. Thank you, Mr. Chairman. Earlier, Congressman Levin stated that you had limits on the number of people

who could work in the union. I think there's a public law to the effect that a limitation does exist, but I'm told by the IG that nobody in the agency knows what that limit is, nor do they try to enforce one. Is that true?

Mr. SCHAMPERS. May I answer?

Mr. JOHNSON of Texas. Sure.

Mr. SCHAMPERS. When GAO came to my office when they were doing their investigation in 1996, the GAO investigator voiced frustration to me saying that they were having trouble finding out how many people worked in full-time or part-time jobs for the union because no one controlled it, the union or management, no one had these numbers. And he further told me that no one seems to want to gather those numbers.

Mr. JOHNSON of Texas. Yes, that's essentially what they told us as well. And really that reflects poorly on both the union and management.

Mr. Beckstrom, we have reports that some union members are working a second job or doing things they probably shouldn't be doing under the existing rules. Do you think it's possible that some union members in the Baltimore office are working a second job or outside the purview of the agency on agency time?

Mr. BECKSTROM. Well, you're asking me to speculate. I know a couple of union stewards pretty closely. I work with one very closely on the partnership council we have. The guys I know are working very hard and I think they are making a contribution to the agency.

Mr. JOHNSON of Texas. Do you think the taxpayers are getting their money's worth out of the union employees that we're paying full time or part time?

Mr. BECKSTROM. The people that I know I think are giving good service to the workers and the agency.

Mr. JOHNSON of Texas. In your opinion, what's the benefit to the taxpayer for the taxpayer dollars given to these union employees who work full-time union activity and/or part time?

Mr. BECKSTROM. Well, they protect workers. I mean workers are abused now and then. You know, they're part of a process that protects them. Also, I think they provide a reality check to the administration. For instance, in our partnership council we did this study of communication within systems. The Deputy Commissioner for Systems mandated that there be face-to-face meetings every couple of weeks with staff people, and the Deputy Commissioner for Systems has no way in the world of knowing that that actually happens. We serve to kind of give them the feedback, with half of the managers that's probably not happening. This is a source of information he's not going to get from any other area.

Mr. JOHNSON of Texas. According to the IG, 25 percent of these union employees do something outside the agency. Would you like to speculate what kind of outside work they do? Is it fishing?

Mr. BECKSTROM. I don't know anybody who's doing that.

Mr. JOHNSON of Texas. You don't?

Mr. BECKSTROM. No, I do not.

Mr. JOHNSON of Texas. OK.

You know, helping the seniors is the primary job of the Social Security Administration. There are other duties as well. But, if these

union employees can't be controlled, and the managers can't get them to help them when they need help, and are overburdened, do you think that's the right result?

Mr. BECKSTROM. It's disturbing to me that that may be happening. I don't think the union ends up looking good in workers' eyes, if they—I mean, the coworker of these people in these district offices can only resent the union. That's not a win for the union to have people get away with that.

Mr. JOHNSON of Texas. Yes. Do you see that in Baltimore at all?

Mr. BECKSTROM. Well, in Systems there's not a strong presence of stewards there. You're asking me to speculate to some degree. I haven't seen it. And the people I know are really competent, very competent people, and responsible.

Mr. JOHNSON of Texas. Mr. Reusing, you want to address that? You always get caught right at the end of the light.

Mr. REUSING. Are you asking, do they respect the union employees?

Mr. JOHNSON of Texas. Yes.

Mr. REUSING. Last year at a townhall meeting, a Division Director and a union vice president stood before the group, and an employee said to the Division Director, "You're here to represent management. She's here to represent the union. Who is here to represent us?" And I think that says it all.

Mr. JOHNSON of Texas. Thank you very much.

Chairman BUNNING. Last but not least, the gentleman from Georgia, Mr. Collins.

Mr. COLLINS. Thank you, gentlemen. I regret that I missed your testimony, but I do have a couple of questions.

Mr. Reusing—did I pronounce that right?

Mr. REUSING. Yes.

Mr. COLLINS. OK. You mention that in your testimony, on more than one occasion, management gets what it wants, and the union sells out the employees. What is management getting, and what are the union officials receiving?

Mr. REUSING. Well, let me recite an example that happened last year, and that might put it in perspective for you.

Last year in ODIO, the Office of Disability and International Operations, management wanted to increase the education requirements on several job postings. These were for low-grade positions, GS–5, GS–6, GS–7. The incumbents for this job are typically women and minorities. Many of them haven't had the benefit of a college education. Management wanted to not only increase the number of points, but the criteria for a course, counting for a point.

The previous job postings for these positions had no education requirements. Management was concerned, because under a pass/fail rating system they couldn't rank employees. It's sort of like picking people for a draft pick on a baseball team, and not having their stats. So, they wanted a way to screen out some applicants. They decided that education would be a good way to do it.

This was negotiated originally through the partnership in ODIO, and then an officer and a steward were selected to negotiate the final MOU. In that MOU the points were increased, and you needed I think 3 or 5 points for education, just to make the best quali-

fied list. Hundreds of employees who normally would have qualified for this job and had been on the best qualified list, were left off.

The union officer who signed that MOU made that BQ list, and was selected. The son of a union officer who was on that partnership council was selected. Meanwhile, hundreds of our members couldn't even be considered.

I filed an EEO complaint for three of those women, and the taxpayers are going to spend a lot of money to resolve that issue. I think that's a prime example of how partnership can work if it's not controlled properly.

Mr. JOHNSON of Texas. Do you think that management has given in to some of these so-called jobs, like maybe allowing jobs in Camden Yards? And I'd really be curious as to what you think someone at Social Security, is doing at Camden Yards? What kind of activities are they engaged in there? Do you know?

Mr. REUSING. It was reported to me, and it was general knowledge around the local that a person was engaged in employment there, I believe selling concessions. And like I said, I don't have any first hand knowledge of that. I want to stress that that was general knowledge around the local. I did not observe it myself.

Mr. COLLINS. Do you think those are some of the gratuities that management has been handing out in order to get concessions from the union?

Mr. REUSING. No.

Mr. COLLINS. Those union officials?

Mr. REUSING. No, I think that was the case where someone was just taking advantage of official time, and management wasn't aware of it.

Mr. COLLINS. OK. Mr. Beckstrom, you talk very favorably of the partnership concept, and how it's working. And I have a company, one of the major automakers—it's right at the edge of my district—called Ford Motor Company, and they have this team aspect to their union and supervisor. And it's worked very well there, so, I know it can work.

And I appreciate your stating that you think everything is doing very well. You say that you think the IG has overstated their numbers in their review of the activities.

Mr. BECKSTROM. I didn't say that. I don't know if—I haven't seen the report. I don't really know—you know, I don't have enough knowledge to rebut it.

Mr. COLLINS. I got that out of your testimony.

Is your opinion before IG or after IG, that the partnership is working better?

Mr. BECKSTROM. I guess when—reading my opening statement, I was saying I think that Systems works more effectively now that we have a partnership, yes.

Mr. COLLINS. And this is after the IG report, really?

Mr. BECKSTROM. Irrelevant in the IG report.

Mr. COLLINS. It—the report. Mr. Schampers says that it was understated. Were all of these people sworn in? You still stand by each of your testimonies. One says one thing, and one says—of course, that really what happens in everything we do anyway.

Chairman BUNNING. Yes, they were all sworn in.

Mr. COLLINS. They were all sworn in. Either one of you want to change that position?

Mr. BECKSTROM. You know, I don't know what the numbers in OIG, if they're accurate or not. I mean, I don't have any opinion.

Mr. COLLINS. No opinion.

Mr. BECKSTROM. I don't have anything to base it on, no, sir.

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. NEAL. Mr. Chairman, could I seek a point of clarification?

Chairman BUNNING. Go right ahead.

Mr. NEAL. Mr. Collins, in your questioning of Mr. Reusing, you asked him whether or not that employee at Camden Yards was an established fact, and what did he say? That's hearsay? Is that what he said? That it was a rumor?

Mr. COLLINS. Yes. He said it was based on things that had been told to him.

Mr. NEAL. Told to him. OK. For some reason, I thought that that was an established fact, and that we had repeated enough so that we all assumed it to be true. And now Mr. Reusing is saying—did you hear that?

Mr. COLLINS. Well, I also asked him what he was doing, and he said he'd heard he'd been working in a concession stand.

My point, Richard, was to see if whether or not——

Mr. NEAL. But, that doesn't make it more authentic.

Mr. COLLINS [continuing]. This had been some type of a gratuity, some type of favor that was offered or given by management to a union official for some agreement.

Mr. NEAL. We should try to establish that better—that's my only point—before we pass that off as being——

Mr. COLLINS. Well, when you have your 5 minutes, you establish it how you want to.

Mr. NEAL. Yes. Well, I thank the gentleman for clarifying that. I mean, it's important.

Chairman BUNNING. The gentleman from Illinois, Mr. Weller.

Mr. WELLER. Thank you, Mr. Chairman, and I apologize in my delay in getting here, and that I missed the testimony of your four witnesses. But, just in working to keep things in perspective here, last night after the hearing we had yesterday, I was talking with some folks back home, kind of what I call the coffee shop crowd, the retirees that you see at 10:00 at White's Cafe, having coffee, who tend to assimilate all the information, and of course make recommendations, and pass judgment on what we're doing here in Washington.

And I come here today, of course, as a supporter of collective bargaining, and when I think of some of the things I've learned, and looking at the Inspector General's report, and of course the information that came out yesterday, I recognize we're looking at management decisions by the administration, as well as the actions of public employees, and the Social Security Administration.

You think about it, employees of the Social Security Administration are charged with safeguarding the Social Security Trust Fund, something that's pretty important to folks like mom and dad, seniors that are on Social Security. And if you relate that to my friends that are prison guards at Stateville in Joliet in my district, they're charged with keeping criminals off the street.

And yesterday, of course, we learned in the hearing about what officially is known as official time, and what I call taxpayer time, where individuals are using time at taxpayer expense for other purposes. And I shared it with these guys at the coffee table back home, the story about the Social Security Administration employee in Boston—the story that the Inspector General discovered regarding the Social Security employees going Christmas shopping on taxpayer time. We'd all love to have that privilege. Wasn't that wonderful. And the fact that it's still continuing outraged these folks back home.

Today of course, we have been talking about an employee who has allegedly been—or at least one employee who has been working on taxpayer time, who allegedly was working at Camden Yards. Of course, I'm a Cubs and Sox fan in Chicago. I know Camden Yards is the home to the Baltimore Orioles.

But, let me ask Mr. Reusing, you've indicated you felt this individual was working in a concession stand. Is he a hot dog vendor, or is he the bat boy, is he selling hats, or pennants?

Mr. REUSING. My understanding was that it was in concession stands. But again, I don't have a real detailed knowledge on that. And as this gentleman said, it may be considered hearsay, but it's clearly stated in my statement that it's what I heard.

Mr. WELLER. It's your belief then that this individual was selling hot dogs or something on taxpayer time, essentially two-timing the taxpayers at taxpayer expense?

Mr. REUSING. That's essentially correct.

Mr. WELLER. Let me ask Mr. Beckstrom, with the statement that Mr. Reusing, who's, from what I recognize here, a union official looking out for the interest of the employees at Camden Yards, do you confirm that it's possible that this individual could have been selling hot dogs on taxpayer time at Camden Yards, while he should have been over at the Social Security Administration Office, protecting the Social Security Trust Fund dollars for people like my mom and dad, seniors and citizens?

Mr. BECKSTROM. Well, I know my mom doesn't want him down there either, but I—it's such a wild story, I find it hard to believe. I mean, first off, selling hot dogs as a perk.

Mr. WELLER. Yes, but the question is, Mr. Beckstrom, this person was doing it at taxpayer expense. He's collecting a paycheck that my hard-working folks in the south suburbs of Chicago work hard to pay taxes, send them to Washington, DC. This guy's collecting a taxpayer financed check, and then he's out selling hot dogs while he's collecting that.

And from what you're telling me, you've never investigated this? The management has never investigated this, even though this is a story that's going around——

Mr. BECKSTROM. I've never heard it before.

Mr. WELLER [continuing]. And Mr. Reusing has basically said it must be true?

Mr. BECKSTROM. I never heard this allegation before.

Chairman BUNNING. Let me get in here——

Mr. WELLER. Let me just close, Mr. Chairman. I realize I'm short of time.

Chairman BUNNING. You can close it. I'll let you have more if you choose.

Mr. WELLER. I just want to ask——

Chairman BUNNING. It's privilege of the Chair to have evidence of misdeeds and working outside of the union; you should immediately take it to the Inspector General. That's the function within your organization to do that. Now, go right ahead.

Mr. WELLER. Thank you, Mr. Chairman, that's a good point. And that's why I wonder why it was never looked into. I mean, do they just put blinders on in this office, in Baltimore?

Mr. Beckstrom, I guess what I'm really asking you, are you saying it's impossible that this individual could have been selling hot dogs at Camden Yards on taxpayer time?

Mr. BECKSTROM. I'm not saying it's impossible, no.

Mr. WELLER. Do you believe that this should have been investigated by the management at the Social Security Office in Baltimore?

Mr. BECKSTROM. I would think management and the union would want to know about it.

Mr. WELLER. Mr. Chairman, I just can't understand, if the Inspector General has come forward with what some say might be hearsay, and others say it's pretty factual, and even a union official states that it's pretty common knowledge that someone was working at taxpayer expense, selling hot dogs at baseball games on taxpayer expense, I just don't understand why the Social Security Administration didn't look into this and put a stop to it. Thank you, Mr. Chairman.

Mr. NEAL. Will the gentleman yield for a question?

Mr. WELLER. Happy to.

Mr. NEAL. Who said it was factual?

Mr. WELLER. Well, my good friend—and I'm happy to yield to you. In my line of questioning here, I think Mr. Reusing said he believed this was going on. Mr. Beckstrom stated that it's not impossible that it could have. The Inspector General identified this as a problem. And the question is, why was it not investigated.

Mr. NEAL. But my point is, who said it was factual? Which one of the panelists said it was factual?

Mr. WELLER. I believe Mr. Reusing said he believed that this occurred, correct? And Mr. Beckstrom said it's not impossible that it could have happened.

The question I have is, why did not the administrators of Social Security Administration look into this, investigate it, and put a stop to it? That's the question.

Mr. NEAL. I agree with the latter part of your assertion. I don't agree with the former, that somebody stated it was factual.

Chairman BUNNING. The gentleman's time has expired. That's a way to get out from under a mess.

I would like to just give my good friend from Boston a little information on his supposed problem with Christmas shopping. It was brought to the attention of management, and management was going to stop it. But, the union filed a grievance, and therefore management got out from under the problem by allowing it to continue. That's the facts on the Christmas shopping problem in Boston. And it's only for this year, continues for this last year.

Mr. NEAL. Well, I'm proud to say, Mr. Chairman, I'm 90 miles west of Boston, and it does not occur in Springfield.

Chairman BUNNING. OK. Does anybody else have any other questions?

Often it is impossible for our Subcommittee to cover everything, all the issues that we're interested in during a hearing; therefore, we may be submitting additional questions in writing for you to answer for the record.

Again, I want to thank you sincerely, each of you, for being here for our hearing. Your stewardship of the program and dedication to improving the agency is deeply appreciated by the Members of this Subcommittee and this Congress. The Subcommittee is adjourned.

[Questions submitted by Chairman Bunning and their respective answers provided by Mr. Hardesty, follow:]

1. You said that you had three individuals who work full time as union officials. How many total employees are in your office? How did you acquire each of your 3 union officials?

We have a total of 62 staff members in our office. This figure includes our 3 union officials. One of our union officials transferred to our office from an office in another region. He worked for several years as a Claims Representative and eventually began spending approximately 50% of his time on official time. He was later named an Administrative Officer by the Regional Vice President and notified local management that he would be using 100% official time for an indefinite period. He was later elected to the Regional Vice President position and continued to use 100% official time. He recently lost the election for Regional Vice President, but was immediately appointed by the local president a Chief Steward and given 100% official time. The National President has also given assignments to this person. He also serves as a National Council Representative. Another of our union officials was working as a Claims Representative Trainee when he was named by the Regional Vice President as a "Presidential Designee" and given 100% official time. He was later elected to the position of President of the local and has continued to use 100% official time. Our third full-time official was using 100% official time in another region and came to our office on a hardship transfer.

You mention that one was a hardship transfer case...how did that work?

Our agency has a memorandum of understanding with the union that covers hardship transfers. A person who feels that they meet the criteria for a hardship transfer must submit a request to the appropriate management official. Relocation expenses are not authorized for employees who receive hardship transfers. The management official considers the employee's situation and the needs of the receiving office. If a decision is made to offer the transfer, the request is referred to a designated union official who can either approve of deny the hardship request. If the union approves the hardship, the transfer can be effectuated. In the case of the transfer to Tulsa of the union official, we attempted to apply the same criteria as we apply to other staff members. A decision was made to honor the request. Since the person would not be doing direct public service work, however, we did not consider our staffing pattern or the specific workload needs of our office. The transfer was requested because the person had married the full-time union representative in the Muskogee office. The union official transferred to our office and subsequently filed a grievance, citing unfair treatment and demanding reimbursement of relocation expenses.

2. You mention that the pursuance of abuse of official time allegations by full-time union representatives is virtually non-existent in your experience. Why?

Article 30, Section 3 of our bargaining agreement in entitled "Allegations of Abuse." The entire section reads as follows: "Alleged abuses of official time shall be brought to the attention of an appropriate management official on a timely basis by supervisors and management officials. The management official will then discuss the matter with the local or council president as appropriate." Supervisors need to receive sufficient general information to assure the activity is one for which official time is authorized, but union officials are not required to discuss the substance of their activity. The burden falls on the union to police itself in allegations of abuse

of official time. Our labor relations staffs can request copies of SSA–75's to insure that the official time was authorized, but, since specific details of the activities are not provided, it is difficult to pursue allegations of abuse. The definition of abuse is very nebulous. All of us at SSA are interested in having a strong, independent, yet accountable union. No one wants to see abuses of official time. The balance between independence for union officials and management oversight is a delicate one. Our present system creates a challenge in addressing allegations of abuse, since union officials are not required to provide details about the nature of their activities while on official time. If a union representative has a SSA–75 that has been approved, and the person is on duty, it is virtually impossible to prove that the person is actually engaged in the activity that is being reported.

3. You discuss the approval process for official time in your testimony quite clearly, yet you say full-time union officials operate by a different standard. How and why does this process work differently for them?

It is important for us to schedule official time around public service activities for union officials who maintain agency workloads. Since many full-time union officials have not done direct public service work for years, different practices have evolved concerning the approval of their official time. The SSA–75 form that is used for the approval of official time does not call for the exact nature of the union activity. It simply asks the union official to designate broad categories of time, such as bank time, mid-term bargaining, etc. For example, if the union official requests time for mid-term bargaining there is no place on the form that requires to person requesting the time to identify the issue to be bargained or the management official with whom the person is bargaining. The union official, therefore, cannot be required to provide additional information to justify the use of official time. Past practices have evolved under which union officials who use 100% official time simply turn in the SSA–75 after the fact to report how they spent their time. Other union officials have their SSA–75's approved in advance. The procedure for "after the fact" approval of SSA–75's for full time officials is based on past practices and a Memorandum of Understanding that was signed in 1990. I have recently asked out full-time officials to provide to me an interim SSA–75 in advance, which estimates how their time will be spend, followed by a final SSA–75 after the time has been used.

4. In SSA's response to the IG report, the Commissioner says, "the new automated Official Union Time Tracking System (OUTTS), will eliminate the errors that the IG identified in the Agency's manual reporting system. What are your experiences with this tracking system? Do you believe that it will eliminate the IG identified errors?

OUTTS does not change the approval process for official time. It does not enable agency management to verify that the activity for which official time was approved was indeed the activity that was performed on official time. It does, however, do two key things: It allows us to track the use of official time by individual union official, and it provides a vehicle by which we can track bank time balances for each union official. The information is instantly available through our mainframe computer system. In this way it does represent an improvement. The information contained in OUTTS, however, is only as accurate as the SSA–75 that serves as the source document.

The Commissioner also mentioned in his response to the IG report additional actions that SSA has taken to improve the accuracy of official time reporting, which include releasing an 8-page question/answer guidance on official time, establishing a new official time reporting system for union officers, and numerous conference calls and meeting presentations on the importance of accurate reporting. Are you aware of these initiatives? Have they helped?

I am aware of these initiatives. The agency has taken extraordinary steps to improve the accuracy of official time reporting. The initiatives have been helpful. The problem, however, is extremely complex and is driven by numerous past practices, memoranda of understanding, and third party decisions. In order to change those things they must be re-negotiated. There are, therefore, situations to which some of the new instructions and guidance cannot be unilaterally applied. It is not because the agency leadership is not seeking to provide guidance; nor is it because local management does not understand or is ignoring the directives. We have simply found ourselves in a highly complex situation that has systemic problems that can only be solved through bargaining or legislation. We can issue instructions, hold meetings, and point the finger of blame at various individuals. Until we change our upstream process through the aforementioned methods, however, we will remain frustrated in our attempts to solve all of our problems.

5. Even though the SSA Inspector General has told us that they could not verify the cost of, and hours dedicated to, union activities, since SSA's information was not reliable, SSA did report in 1997, that expenditures for union activities went down from $14.7 million to $12.4 million and from 482,000 hours to 390,844 hours. They report that this decrease is due to reduced formal bargaining, a decrease in full-time representatives, and a continued emphasis on Partnership activities. What do you think about these numbers? Do you think these numbers and SSA's suggested reasons for their decline are accurate?

I have no personal knowledge as to the accuracy of those agency-wide numbers. I do, however, know that the source of most local grievances was our old five level performance appraisal system. Grievances and the related cost and union/management time virtually disappeared when we went to a pass-fail system. I strongly support the pass-fail system. We can hold staff members accountable for performance, give feedback on performance, provide coaching, mentoring, and insure that people do the jobs they were hired to do without the tremendous cost and unmeasurable losses that a multi-level numeric appraisal system brings.

6. In your experience, how does the Union ensure that it is accurately representing employee's views before management?

I cannot speak to an issue that is involves internal union processes and policies. The union is the exclusive representative of all of the employees in the bargaining unit regardless of whether or not the views of the employees are represented. I have had numerous complaints from employees that the union was not accurately representing their views. I consider that problem, however, to be internal union business. I cannot and should not involve myself in internal union business.

7. Who is the union accountable to?

All public servants are ultimately accountable to the taxpayers. Those of us who do direct public service work must directly account for our actions to our immediate supervisors. While union officials are not directly accountable to agency management for their actions and the performance, of their duties, they remain public employees and are responsible for adhering to our standards of conduct and must be accountable to the taxpayers.

8. What benefits do taxpayers derive from official time?

It is impossible for me to delineate specific, measurable benefits from "official time." Taxpayers derive benefits from the service that public servants provide directly to them. Time spent in improving and innovating processes and in collaborating to improve working conditions represents a sound investment of tax dollars. I cannot say that those value-added activities can be attributed to the use of official time. Neither can I say that all official time adds no value to the taxpayer. My experience, however, does support the notion that collaboration and collective bargaining based in interest, rather than position, by parties who share a common aim adds value to the product that we deliver to the taxpayers.

9. What benefits do taxpayers derive from Partnership?

Taxpayers derive immeasurable benefits from collaboration and process improvement. Our formal Partnerships in SSA are still in their infancy. The cost of our formal Partnership time is only beginning to be measured. It is difficult to do a clean cost-benefit analysis and attribute specific results entirely to Partnership when there is so much complexity and so many common causes in our processes that effect results. Our Partnership Councils have accomplished numerous things. We cannot, however, say with certainty that none of those things would have been accomplished without the Partnership Councils. Nor can we say that we could have accomplished all that we have without the Partnership Councils. We will have to give the concept sufficient time to become part of our organizational culture and allow sufficient time for long-term studies to compare our pre and post Partnership results.

10. We understand that in recent years, there has been a gradual consolidation of locals into larger area locals. These consolidated locals consist of 10 to 20 offices or more with appointed Presidents. What impact has this had on relationships with the union in the field?

In many cases the impact has been minimal. Local managers and supervisors have continued to deal primarily with local stewards. In some cases the President of the local, rather than the local steward, might choose to interface with the local

management staff. In these cases there is a likelihood that the President might not be as attuned to the specific needs of the local staff members as the local steward.

[Whereupon, at 11:45 a.m., the hearing was adjourned, subject to the call of the Chair.]

LABOR-MANAGEMENT RELATIONS AT THE SOCIAL SECURITY ADMINISTRATION

FRIDAY, JULY 24, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON SOCIAL SECURITY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 10:04 a.m., in room 1100, Longworth House Office Building, Hon. Jim Bunning (Chairman of the Subcommittee) presiding.

Chairman BUNNING. The Subcommittee will come to order. If our guests would please take their seats, we'd appreciate that.

Good morning. I began this hearing on Wednesday by saying that Social Security is a sacred trust between the American people and their Government. When evidence of abuse is discovered, it is our duty to pursue it, and it is our duty to resolve it. All of us are in this together—Democrats, Republicans, the administration, and the unions. We all must root out any abuse that harms our Nation's seniors and their ability to receive service from the Social Security Administration.

Having listened to the testimony this week, I am deeply troubled by what I have heard. Christmas shopping time is paid for by taxpayers. Workers are engaged in private business enterprises, personal endeavors, and political activities while on taxpayer-financed union time. Intimidation by union officials occurs, and even worse, management tells the workers to drop it. Full-time union officials are missing in action with no one knowing what these workers are doing while they are on official time.

I am convinced this is not anecdotal. The Inspector General confirmed that, when it comes to official time, about 25 percent of SSA managers suspect abuse. There's plenty of fire below the smoke, and we must find ways to put it out. We must proceed. We must help our dedicated Social Security workers, and we must respect the rights of organized labor, but we must never look the other way because we don't like what we've found.

In the interest of time, it is our practice to dispense with opening statements except from the Ranking Democratic Member. All Members are welcome to submit statements for the record. I yield to Congresswoman Kennelly for any statement she wishes to make.

Mrs. KENNELLY. Thank you, Mr. Chairman. We've had 2 days of hearings that have included testimony from the SSA Inspector General and several SSA employees. These hearings have focused on employee-management relations and the use of official time at the Social Security Administration. Due to the structure of these

hearings, we did not have a usual balanced panel where within the same time frame questions could be answered. We have had, on the record now, allegations and suspicions. My hope is today that we would have the opportunity to answer the allegations and to address the suspicions.

However, I think it's only fair to say that today, 48 hours after the Inspector General testified, we will finally have the opportunity to hear from the Social Security Administration and the American Federation of Government Employees, an employee union representing 52,000 SSA workers who work very, very hard and probably don't even have any understanding or idea of some of things that we are talking about, and so I hope we can address these situations in a fair hearing today.

I expect today's witnesses will offer us their views on the state of employee-management relations at the SSA and the value of the partnership agreement in improving those relations.

Two days ago, I asked the Inspector General what system he would put in place at SSA if he were the Social Security Commissioner in order to resolve concerns raised in his own report. He responded that he would institute the same system that SSA has instituted with only a few minor modifications. I am greatly encouraged by the effort the SSA has made to modernize its official time tracking system. I hope to hear more today about the capabilities of the OUTTS system and its expected impact on preventing abuses and improving controls on official time. I look forward to hearing about these developments.

Allegations, as I said, were made yesterday by two local office managers and union officials about the use of official time. We believe that any allegations of abuse ought to be looked into by the Commissioner and any actual abuses identified and corrected. We want to make sure that all rules are being properly followed. I hope the Deputy Commissioner can tell us what steps SSA has taken to address the concerns raised at yesterday's hearing.

While the value of labor management partnerships have been recognized for years in the private sector, in 1993, the Clinton administration had the vision to see how partnerships could improve the quality of service provided by Government agencies to the public. We are here today to review the accomplishments of partnerships; to seek ways to improve those partnerships, and to find ways to further stress the SSA's ability to serve the American people.

I look forward to hearing from today's witnesses and hope that we can set the facts straight. Thank you very much.

Chairman BUNNING. Thank you, Congresswoman Kennelly.

Paul Barnes, Deputy Commissioner of Human Resources at the Social Security Administration in Baltimore, is our first panel.

So if you will rise, Mr. Barnes. I will swear you in. Please, raise your right hand.

[Witness sworn.]

You may proceed with your statement.

STATEMENT OF PAUL D. BARNES, DEPUTY COMMISSIONER FOR HUMAN RESOURCES, SOCIAL SECURITY ADMINISTRATION

Mr. BARNES. Mr. Chairman and Members of the Subcommittee, I wish to thank the Chairman and Members of the Subcommittee for inviting me to discuss the issue of union activities and our partnership activities between Social Security and the union which represents its employees, that make significant contributions to enhancements that we have made in customer service. I will summarize my remarks and ask that my written statement be placed in the record.

Chairman BUNNING. Without objection.

Mr. BARNES. Thank you. One of SSA's three fundamental goals set forth in our agency's strategic plan is to create an environment that ensures a highly skilled, motivated work force dedicated to meeting the challenges of SSA's public service mission. We look to our partnership with the union as an important means for advancing that goal. By working with the unions we involve our employees in discussions about things that need to be done and how we will do them.

At SSA, official time has traditionally been litigious, adversarial, and costly, because much of the matters, such as arbitration and unfair labor practices, are costly in terms of dollars and agency time. Under our partnership agreement, our relationship with the union has shifted away from litigation to more joint activities, such as involving union representatives in the decisionmaking process to help craft solutions to better serve our customers and creating labor management partnership councils and committees at the national and local levels of SSA including health and safety and security committees. The shift has made SSA a better agency and a much better provider of services to the American public.

Earlier this year, SSA was the first Federal agency at the national level to complete a thorough evaluation of partnerships. This evaluation details numerous benefits of partnership within SSA. For example, in the area of customer service, partnership has facilitated numerous improvements in customer service, several of which directly impact upon our 800 number services. Partnership also helps SSA customer service initiatives, such as the one-stop-shopping initiative we're pursuing.

In the area of productivity and efficiency, partnership facilitated the disability redesign process, work sharing from one component to another and efforts to reduce the backlog in the Office of Hearings and Appeals. The partnership also was involved in developing and implementing recommendations that improve SSA's use of management information.

In the area of employee empowerment, the partnership replaced traditional management control processes with processes involving the direct participation of employees, involving them as key stakeholders in workplace issues which affect them profoundly.

In the area of work life, partnership has been found to enhance the work environment by helping to create developmental and growth opportunities for employees which had not previously existed. The Benefit Authorizer Intern Program in Kansas City is

just one example of job growth, opportunities, and hope for career advancement.

In the fiscal area, partnership activities have helped SSA save money and avoid expenditures as compared to traditional labor-management processes. Significant savings have resulted from reduced litigation costs; reduced relocation and renovation costs; remissioning of employees; and the upgrade of our computer systems including the installation of Intelligent Work Station/Local Area Network equipment.

I would also like to discuss the three reports recently issued by the Office of the Inspector General relating to labor-management issues at SSA. SSA respects the OIG's views expressed in the report, but, quite frankly, I believe that many of the conclusions drawn by the OIG in these reports reflect a fundamental misunderstanding of the nature of partnership and the relationship of activities arising out of partnership to the business of SSA.

In its report on official time, the OIG attempted to determine whether official time used by the SSA was in compliance with laws, regulations, and collective bargaining agreements, and whether SSA produces reliable information to determine the costs of official time. However, the report failed to take into account what we're currently doing. The report took into account only SSA's past manual official time collection system without recognizing new automated systems which will eliminate the errors the IG identified in its report. SSA has been proactive in ensuring that it captures official time as well as partnership time in an accurate and timely manner.

The OIG report on Council 220 Union Representative and manager observation on the Use and Management of Official Time at SSA is a collection of observations and is not, itself, an audit report. The survey represents an unscientific sample of opinions and perceptions and interpretations of survey data with no supporting evidence to verify any information given in the responses. Thus, the survey can only be of limited value in actually assessing the effectiveness of official time management at SSA.

I would like to point out that the Commissioner reported to the House Committee on Appropriations on January 27, 1998 that in fiscal year 1997 there was a 19 percent decrease in the number of hours of official time that employees spent on union activities as compared to fiscal year 1996. The decrease is attributable in part to our continuing emphasis on partnership activities that have been instrumental in reducing official time usage by $2.3 million in 1997 as compared to the figure in 1996.

Moreover, the Social Security Trust Fund shall be reimbursed from general tax revenues for any expenditures made for official time and for facilities and support services for labor organizations.

In conclusion, Mr. Chairman, let me summarize by saying that partnership activities at SSA greatly contributed to many of our successes in enhancing customer service. Although our partnership is still maturing, we expect further progress in the future. The partnership efforts between labor and management have been nothing less than a true success story at SSA. We believe that many of the OIG conclusions reflect, again, the fundamental misunderstanding of the nature of partnership and the activities that

arise from it as it relates to the business of SSA. I will be happy to answer any questions that you may have.

[The prepared statement follows:]

Statement of Paul D. Barnes, Deputy Commissioner for Human Resources, Social Security Administration

I wish to thank the Chairman and the members of the Subcommittee for inviting me to discuss the issue of union activities and the conduct of union business on official time at the Social Security Administration (SSA).

Since President Clinton issued Executive Order 12871 on October 1, 1993, a new spirit of cooperation has emerged between SSA and its union partners that has brought real gains for this Agency and for the millions of Americans that we serve every day. Although our relationship is still maturing, partnership efforts between labor and management have had a very positive impact on our ability to serve the American public.

Today I would like to discuss SSA's efforts in forging effective relationships with its union partners; how partnership activities have made significant contributions to many of the successes we have achieved in enhancing customer service; and why SSA believes that many of the conclusions drawn by the Office of the Inspector General (OIG) in its recent three reports reflect a fundamental misunderstanding of the nature of partnership and the relationship of activities arising out of partnership to the business of SSA.

History of Official Time and Partnership

In 1962, President Kennedy issued an executive order that established a framework for Federal agencies to bargain with unions over working conditions and personnel practices. This executive order, along with a series of subsequent executive orders, was codified in the Civil Service Reform Act (CSRA) of 1978, which established official time as an integral part of Federal labor-management relations and the Federal sector collective bargaining process.

During the Reagan Administration, the first consolidated SSA-AFGE collective bargaining agreement to recognize agency payment of official union time from both the trust funds and general revenues was signed by then-SSA Commissioner John A. Svahn on June 11, 1982.

SSA employees who serve as representatives of the unions use what is referred to as "official time" when performing union representational activities. Under the law governing union activities, the Labor-Management Relations Statute, (which was part of the CSRA), official time is defined as time employees spend acting as union representatives which they would otherwise spend in duty status and for which an agency pays the employees as if they were performing their normal duties.

Official time granted to union representatives to engage in activities on behalf of the union is deemed to be Agency work. SSA, like other Federal agencies and many firms in the private sector such as Ford, Chrysler, Inland Steel and Armco Steel, pays for approved time spent by its employees on official time.

The costs associated with union activities and the use of official time are an administrative expense charged to the Agency. In accordance with Public Law 105–78, the trust funds are reimbursed from general tax revenues for any expenditures made for official time and for facilities and support services for labor organizations.

Tracking Official Time Usage

Tracking the use of official time is important to both SSA management and the unions. SSA recognizes past problems in accurately tracking and managing official time and has taken decisive steps to improve the tracking of official time usage.

SSA has continually worked with its components and regions to collect accurate up-to-date listings of union representatives on a quarterly basis. These lists also show the percentage of official time used by each person.

We work diligently to ensure that the lists accurately reflect union representatives and the amounts of time used. The Office of Labor-Management and Employer Relations (OLMER) is responsible for maintaining a list and for making changes based on information provided by the unions or reported by labor relations staff in the regions.

In addition, in February 1998, SSA implemented the new automated Official Union Time Tracking System (OUTTS). OUTTS is an automated system that tracks use of official time and official bank time balances at the union representative level. It will enable SSA to monitor time spent on union activities by individual union representatives and ensure that total time spent on certain activities is not excessive.

Users will be able to query the system for account balances and will be able to reallocate hours among representatives. The system will alert users when certain preset conditions arise; e.g., when a union representative is within 20 percent of exhausting his or her allocation of official time. OUTTS will also identify active and inactive union representatives.

In future releases, OUTTS will enable SSA to make customized queries from the system. For example, an upcoming release will enable SSA to conduct an internal check on official time recording activities by differentiating between non-reporting field offices and reporting field offices. In a different OUTTS release to follow, a menu of administrative reports will be available. This menu will allow users to limit reports to specified regions or union locals.

The OUTTS system applies only to the tracking of official time of union representatives in SSA's field components. This covers 75 percent of the union representatives in the Agency. For components other than field offices, SSA is considering alternative methods for ensuring accurate reporting. For example, a recent automation effort undertaken by OLMER has provided the capability for summarizing official time information on spreadsheets. Once finalized, this process should prevent duplication and minimize mathematical errors.

HANDLING REQUESTS FOR OFFICIAL TIME

The Federal Service Labor-Management Relations Statute provides that any employee representing a labor organization "shall" be granted official time for negotiation of a collective bargaining agreement, including any impasse proceedings. The statute also provides that, except for certain specifically restricted activities, official time must be granted in any amount the union and management agree to be necessary, reasonable, and in the public interest. However, managers can, and do, request postponement of the use of official time due to workload considerations.

The case law establishes the fundamental criteria for management and labor in substantiating requests for official time. SSA is in full compliance with both the statute and case law.

The law does prohibit the granting of official time for union activities involving internal union business, such as soliciting membership, conducting elections of union officials, and collecting dues. Thus, SSA does not pay for union expenses related to these activities.

In addition, SSA and the unions have negotiated collective bargaining agreements which set guidelines for the amount of official time allowable for management-initiated and union-initiated activities. Union officials and SSA must agree on the amount of official time and the number of union representatives which are allowed for labor-management relations. These agreements are accomplished through mutual agreement or negotiations. If the parties disagree, the matter may ultimately be resolved by third parties such as arbitrators, the Federal Service Impasse panel (FSIP), the FLRA, or the courts. Thus, either the parties mutually agree on the number of full-time representatives or a third party will make the final decision. In fact, many issues such as the amount of official time a union representative may use, the number of full-time union representatives, and access to agency facilities have often been decided by third parties.

Yet at the same time, as the Commissioner reported to the House Committee on Appropriations on January 27, 1998, in FY 1997 there was a 19 percent decrease in the number of hours of official time that employees spent on union activities as compared with FY 1996. This decrease in reported official time hours is attributable to several factors, including reduced formal bargaining in some components, a decrease in the number of full-time representatives, and a continuing emphasis on partnership activities that have been instrumental in reducing official time usage by $2.3 million.

IMPORTANCE OF PARTNERSHIP AT SSA

Let me now discuss the importance of the partnership between SSA and the unions which represent its employees. One of SSA's three fundamental goals set forth in our Agency Strategic Plan is to create an environment that ensures a highly skilled, motivated workforce dedicated to meeting the challenges of SSA's public service mission. We look on our partnership with the unions as an important means of advancing that goal. By working with the unions, we involve our employees in discussions about things that need to be done and how we will do them.

The national performance review (NPR) recommended the formation of "labor-management partnerships for success" across government. In October 1993, President Clinton issued Executive Order 12871, which created the national partnership Council, a team of senior union, management, and neutral leaders in support of the

NPR's goal of encouraging labor-management cooperation and partnership throughout the federal government. SSA and the American Federation of Government Employees (AFGE), which represents about 50,000 SSA employees, signed an agreement on June 21, 1994, for the purpose of implementing and maintaining such a cooperative working relationship between labor and management in order to identify and solve problems, and to improve the day-to-day operations of SSA, especially those affecting service to the public. In this respect, it is in SSA's best interest to support the union's continued participation by funding certain activities, since the ultimate success of our efforts to improve our operations rests with the employees who put them into practice every business day.

In the past, official time has traditionally been used in litigious, adversarial, costly third party matters such as arbitrations, and unfair labor practice complaints. Under our partnership agreement, our relationship with the union has shifted away from litigation to more joint activities, such as involving union representatives in the decision making process to help craft solutions to better serve our customers and creating labor-management partnership councils and committees at the national and local levels of SSA, including health and safety and security committees. This shift has made SSA a better agency and a better provider of services to the American public.

To address SSA issues at the national level, SSA formed its own National Partnership Council which meets on the first Tuesday of each month. Also, Partnership Councils have been formed by many components at the Deputy Commissioner level in SSA's Central Office and in many of SSA's Regional Offices.

The Partnership Councils charter workgroups and committees to handle special projects or long term initiatives. Since the implementation of the partnership agreement, SSA management and the union have participated in over 1,537 partnership projects at the national, regional, and local levels. These partnership projects have been used for a variety of purposes, primarily involving customer service initiatives and operational efficiencies, labor-management relations, and quality of work life.

Earlier this year SSA was the first Federal agency to conduct and complete a thorough evaluation of partnership at the national level. This evaluation detailed numerous benefits of partnership within SSA. For example:

In the area of customer service, partnership has facilitated numerous improvements in customer service, several of which directly impact upon the 800-number services. Partnership also helped to facilitate SSA's customer service improvement initiatives such as "one-stop shopping."

In the area of productivity and efficiency, partnership facilitated the disability redesign process, work sharing from one component to another, and efforts to reduce the backlogs in the office of Hearings and Appeals. Partnership also was involved in developing and implementing recommendations that improved SSA's use of management information.

In the area of employee empowerment, partnership replaced traditional management-controlled processes with processes involving the direct participation of employees, involving them as key stakeholders in workplace issues which affect them profoundly.

In the area of work life, partnership has been found to enhance the work environment by helping to create developmental and growth opportunities for employees which had not previously existed. The Benefit Authorizer Intern program in the Kansas City Region is an example of job growth, opportunities, and hope for career advancement.

In the fiscal area, partnership activities have helped SSA save money and avoid expenditures as compared to traditional labor-management processes. Significant savings have resulted from reduced litigation costs, reduced relocation and renovation costs, re-missioning of employees and the upgrade of computer systems including the installation of Intelligent Work Station/Local Area Network equipment.

In the area of labor relations, partnership has replaced the traditional adversarial role with an emphasis on cooperation. Disputes have been settled effectively and at a lower cost through the utilization of Interest-Based Bargaining.

OIG Reports on Partnership

Now, let me discuss the three reports recently issued by SSA's Office of the Inspector general (OIG) relating to labor-management issues at SSA. SSA respects the OIG's views expressed in the reports but, quite frankly, I believe that many of the conclusions drawn by the OIG in these reports reflect a fundamental misunderstanding of the nature of partnership and the relationship of activities arising out of partnership to the business of SSA.

The OIG's conclusions and recommendations reflect a rigid concept of partnership activities, such as meetings and training. One of SSA's goals is to deliver customer responsive, world-class service, and our relationship with the unions is an important means of advancing that goal. Issues that would have been previously dealt with in confrontational settings, such as grievances and unfair labor practices, can now be addressed by workgroups or during the normal course of business in an atmosphere of cooperation engendered by partnership. The report concluded that projects under interest-based bargaining should not have been included in the partnership activities inventory. However, the Executive Order itself specifies that agencies should train participants in interest-based bargaining as part of their implementation of Partnership.

In its report on official time, the OIG attempted to determine whether official time usage at SSA was in compliance with laws, regulations, and collective bargaining agreements, and whether SSA produces reliable information to determine the costs of official time. However, the report took into account only SSA's past manual official time collection system without recognizing the new automated OUTTS system which will eliminate the errors that OIG identified in the manual system. SSA has implemented actions to deal with some of the issues raised in the OIG report prior to its investigation such as conducting a pilot on the OUTTS tracking system. SSA has been proactive in ensuring that it captures official time, as well as partnership time, in an accurate and timely fashion. In addition, the report did not acknowledge the impact of decisions made by arbitrators and the FLRA. This case law defines the parameters under which SSA must operate.

The OIG's report on Council 220 Union Representative and manager observation on the Use of Management of Official Time at SSA is a collection of observations and is not an audit report. The survey represents an unscientific sample of opinions and perceptions, and interpretations of survey data, with no supporting evidence to verify any information given in the responses. Thus, the survey can only be of limited value in actually assessing the effectiveness of official time management at SSA.

Nevertheless, the perceptions and opinions on union time are of value. Responses from small offices indicate that the managers and union representative work closely to foster trusting relationships. Survey responses show overwhelmingly that managers knew that there was an office where they could consult on official time issues, and nearly all of the managers described the assistance they had received as accurate, timely, and helpful. Information presented in the report show that there is communication and a common understanding of official time in Council 220 offices, providing the basis for a foundation for continuing, effective labor-management relationships.

CONCLUSION

In conclusion, Mr. Chairman, let me state that SSA is committed to a new spirit of cooperation between management and its union partners to bring about real gains for SSA and for the millions of Americans that SSA serves every day. I can assure you that SSA's policies and practices regarding the use of official time fully comply with applicable labor laws.

SSA has been proactive in forging effective relationships with its union partners and was the first federal agency to conduct an evaluation of partnership at the national level. Partnership activities at SSA have greatly contributed to many of the successes we have achieved in enhancing customer service, such as improvements in our national, toll-free 800 number service. I believe that many of the conclusions drawn by the OIG reflect a fundamental misunderstanding of the nature of partnership and the relationship of activities arising out of partnership to the business of SSA. Although our partnership is still maturing, and we expect further progress in the future, partnership efforts between labor and management have been nothing less than a success story at SSA.

SSA is committed to design, implement, and maintain within SSA a constructive working relationship between labor and management. Our emphasis is on developing an organizational culture in which labor-management relations are based on trust, mutual respect, common goals, and shared accountability. While we realize this will take time, we must take the long-term view and make these investments now that are vital to ensure future success. The American people deserve no less.

Chairman BUNNING. Thank you, Mr. Barnes. First of all, are you questioning the integrity of the Inspector General?

Mr. BARNES. No, sir. I would never question the integrity of the Inspector General. What I am saying is of the three reports that they have issued, only one of those reports is an actual audit. That's an actual audit——

Chairman BUNNING. We asked him to do that. That's exactly what we asked him to do.

Mr. BARNES. Right, but what I'm saying is the report on partnership is really a report of their feelings of partnership activities, not an actual audit.

Chairman BUNNING. That's exactly what we asked him for.

Mr. BARNES. That's the point that I'm trying to make.

Chairman BUNNING. Let me ask you, do you support Christmas shopping by SSA employees to be paid for by taxpayers?

Mr. BARNES. No, I do not.

Chairman BUNNING. Why is it happening in Boston right now?

Mr. BARNES. In Boston, several years ago, a practice evolved where employees were given limited amounts of time for Christmas shopping. It went on for several years. When the current Regional Commissioner became aware of that practice, he stopped it immediately. The issue was litigated with an arbitrator. The arbitrator ruled that since it was a past practice we had to give notice; that we could not stop this unilaterally. We've given notice; we've negotiated it, and the arbitrator has agreed with us that the practice can end completely this year. So, we have taken——

Chairman BUNNING. Is it happening anywhere else in the United States?

Mr. BARNES. Not that I'm aware of.

Chairman BUNNING. Are you going to stop it before this year's Christmas?

Mr. BARNES. No, the arbitrator's ruling says that 1998 is the last year for the practice to exist. We actually had to give notice——

Chairman BUNNING. Do you think I could get in on it?

Mr. BARNES. Beg your pardon?

Chairman BUNNING. Do you think I could get in on it? In other words, that I could get paid for going Christmas shopping? In other words, could I go and file a grievance with someone and make sure that I could get in on the same kind of good deal, sweetheart deal? I mean, come on, that is the most outrageous, ridiculous thing I've ever heard of negotiated.

Mr. BARNES. It was never negotiated. It was never part of——

Chairman BUNNING. It was part of an arbitration; that's negotiation as far I'm concerned.

Mr. BARNES. No, sir, that's not what I'm saying. I'm saying that it was never negotiated. It was a practice that they had a number of years ago that continued for several years. It was stopped. Part of stopping the process——

Chairman BUNNING. In other words, after this year, they'll never do it again.

Mr. BARNES. Yes, sir, that's correct. This is the last year. We did not allow people to do it in 1997 at all, but as a result of the litiga-

tion with the arbitrator, the arbitrator's decision was that we had to give appropriate notice since it was a past practice and that it could not continue after this year.

Chairman BUNNING. Do you support union officials threatening the managers of your Social Security offices?

Mr. BARNES. Absolutely not.

Chairman BUNNING. If you had that individual poking a finger at your chest—if you had an employee or a union official poking his finger at your chest saying, "Don't you ever know who you're dealing with. Boys like you can end up missing, and even your family will never find you." Don't you think this is a matter more than robust discussion or would you call it a threat? Do you think a matter like this should be investigated and not told the manager not to go and file an investigative grievance or any kind of report? Can you conceive of any situation where an individual found guilty of such a threat would not be fired?

Mr. BARNES. Well, first of all, the incident, as I understand it—you're referring to the one mentioned in yesterday's hearing—the individual involved in the incident was not an SSA employee. The individual was a senior member of the union.

Chairman BUNNING. He was a union official.

Mr. BARNES. He was a union official but not an SSA employee. When the Regional Commissioner in the Dallas region became aware of this, he took action to resolve it and worked with the union to make sure that that person never, never entered another Social Security facility and he has not. So, the Regional Commissioner took that——

Chairman BUNNING. Can you put that in writing to me?

Mr. BARNES. Yes, sir. I'd be glad to.

[The following was subsequently received:]

Regarding the incident discussed, the union official involved is not an SSA employee, but is a national representative emeritus with the American Federation of Government Employees (AFGE). There was clearly miscommunication, or a misunderstanding, between the management and union officials who were involved in the use of the training room which spurred the incident. The lunchroom is in the same location as the training room, and the two areas are separated by a divider. When the management official requested that the union representatives move to the training space, the union official responded in a loud, and, what the manager perceived to be, threatening manner.

On the day in question, various management officials advised and assisted the manager on how he should handle the situation. The Assistant Regional Commissioner for Operations and Support (ARCMOS), acting for the Regional Commissioner who was out of town, personally got involved. Subsequently, both he and the Regional Commissioner met with the local president, who is an SSA employee, and who had been in the office on that day. At different meetings, they both discussed moving forward in a positive manner so that relations could be improved despite the incident. As a show of attempting to establish such a relationship, she stated that the national representative would not go back to the office, and to this day has never been invited to an SSA office. Throughout this process, discussions were also held with the district manager, who has since filed a management-initiated grievance with the Regional Vice President, which is permitted under the SSA/AFGE contract.

Chairman BUNNING. And make sure that we're following up in making sure it doesn't repeat.

Is it right for the manager who wanted to file a grievance against the union official who threatened him to be told by the regional office to drop it?

Mr. BARNES. I'm sorry, I didn't hear the first part of your question.

Chairman BUNNING. Is it the right for a manager who wanted to file a grievance against the union official who threatened him to be told by his regional office to drop it? Will you investigate or did you follow up on the investigation? In other words, you can't fire the union official, but you can sure follow up and make sure anything like this never happens again.

Mr. BARNES. That is the action that was taken by the Regional Commissioner to make sure that this did not happen again. The Regional Commissioner involved in this incident has since retired. This is an incident that happened several years ago.

Chairman BUNNING. Is this a widespread practice in the Social Security Administration and in the regional offices or in the district offices? Do you hear of other incidences like this?

Mr. BARNES. No, sir. They're very, very rare.

Chairman BUNNING. How many of your managers are out there abandoning their frontline personnel and asking them to ignore misconduct?

Mr. BARNES. Sorry, would you repeat the question?

Chairman BUNNING. I said, I'm trying to get them in, because my light's red—how many of our your managers are out in their district offices abandoning their frontline personnel and asking them to ignore misconduct?

Mr. BARNES. I don't imagine that we would have any managers that would tell employees to overlook misconduct.

Chairman BUNNING. Mrs. Kennelly.

Mrs. KENNELLY. Thank you. Mr. Barnes, let me give you another opportunity. Yesterday, we heard allegations that the SSA employees could be full-time union employees or representatives abusing official time. First of all, could you tell me if there's a pattern of abuse of official time that is identified with SSA?

Mr. BARNES. First of all, let me make it clear that SSA has a zero tolerance for any form of fraud; that's part of our strategic plan. It's also been part of our culture for the 30 years that I have worked for this agency. The examples that were brought up yesterday from the union officials where he alleged that there was an individual on official time working for the Baltimore Orioles and another person selling real estate while on official time. When I read that testimony yesterday, I immediately referred cases to the Inspector General for investigation, so I have asked the Inspector General to look into those few allegations even though the person did not present any proof at the hearing; that is, he made an allegation that was unsubstantiated, but it was very serious and one that could be very easily reviewed by the Inspector General's Office of Investigations. I asked Mr. Huse, who is the Acting Inspector General, in writing last night to contact the individual who made the allegations to get whatever information he had and investigate it. All of those allegations we take seriously. If the person had made the allegation to us previously, we would have investigated them at that time. There is an abuse process in our contract. Most of our managers understand and follow that process.

There was an article in the paper Wednesday that quoted, incorrectly, figures from the IG report on the Council 220 survey. It said

something to the effect that 20 percent of managers who responded to the survey said that they take no action when they see abuse. That figure is not correct. If you look at page 9 of the 220 report, the number is actually 5 percent and not 20 percent, which means that 95 percent of our managers who responded do the right thing. Now, 5 percent is not acceptable, and there are some things we need to do to follow up on that, and I will, but I just want to make the record straight, clear that that information was not correct.

Mrs. KENNELLY. Then you're saying there's not a pattern of abuse.

Mr. BARNES. No, ma'am, I do not believe that there is. We have a process in place to deal with it. Most of our managers avail themselves of that process. Again, even if you look at the survey and read what the IG reported in this area, most of our managers do, in fact, understand the process.

Now, another point I want to make in terms of that report, on page 12 of the same report, it says quite clearly that most of the managers who responded—well over 90 percent—said that there was an office that they could go to whenever they needed help in issues involving official time; 95 percent of them, or in that range, said that they found the office helpful; over 90 percent said they found their responses accurate. So, we need to understand that this is a matter that we take seriously and actually reflected in the IG report.

Mrs. KENNELLY. You say that the equipped system will enable the SSA to monitor the time spent on union activities to ensure that total time taken by union representatives does not exceed the specified number of hours. How long do you expect it will take before the system will be fully operational, first, and how well do you think the system will contribute to the prevention of abuse and improvement on controls?

Mr. BARNES. The system was implemented—the OUTTS system, which is our automated tracking system for union official time—was implemented in February of 1998 in all regions. Prior to February, it was in pilots in a small number of the regions, but since February, the system has been in place, and we believe that it will eliminate entirely the kinds of errors that the IG found in the manual reporting system.

The reporting system that we have used in SSA, again, is manual and is subject to errors in arithmetic because of human nature. They refer—if you look in the audit report—to several examples that they found when they reviewed some of the manual reports in the regions where we had dual reporting; that is where we had counted the same time twice. Going to the automated system eliminates those kinds of clerical errors and gives us a much more accurate report.

Mrs. KENNELLY. Thank you, Mr. Barnes.

Chairman BUNNING. The Subcommittee will recess. We have a vote on the floor. It's on the rule on health care, and we will be back, if you will bear with us.

[Recess.]

Chairman BUNNING. The Subcommittee will come to order.

Mr. Christensen will inquire.

Mr. CHRISTENSEN. Thank you, Mr. Chairman. Mr. Barnes, I want to go back to a question that the Chairman asked earlier about this Christmas shopping. I want to know personally from your point of view—you've been there for 30 years, is that right?

Mr. BARNES. Yes.

Mr. CHRISTENSEN. How many years have you been in the HR Department?

Mr. BARNES. I've been the Director of Human Resources since March of last year. All of the other 28 years I spent in Operations which is the part of Social Security that deals with field offices and the folks who actually provide direct service. So, 28 years before I came to the current job were all spent in that department.

Mr. CHRISTENSEN. In your personal testimony, Paul Barnes the individual, do you think it's right that the employees of SSA should have an opportunity to go Christmas shopping at the expense of American taxpayers?

Mr. BARNES. No, sir, I do not. When we became aware of it, or when the current Regional Commissioner became aware of the practice, he started the legal process to stop that activity and has been successful in doing so. There is——

Mr. CHRISTENSEN. Mr. Barnes, I would not call success allowing Christmas shopping at the expense of the American taxpayer to go on one day more than when you discovered it. That is outrageous. I mean, if the American taxpayer had any idea what's going on in your administration, behind closed doors, out in the shopping malls each and every year, 1998 included, they would be outraged. They would be outraged, and, yet, it's going to happen this year again according to your testimony. Is that right?

Mr. BARNES. Yes, sir. As I indicated, we are bound by the law. We have followed the procedures to stop the practice. It was litigated, and the decision——

Mr. CHRISTENSEN. Listen, Mr. Barnes, I appreciate your straightforwardness is this answer, but you're not addressing the issue. When the Chairman talked about negotiation, you said, "Well, it wasn't negotiated." Well, it was negotiated if the arbitrator continued to rely upon it as a past practice. It was part of the things that were on the table as far as negotiation. If you guys truly thought this was outrageous practice by union officials, that using American taxpayer dollars to go Christmas shopping year after year after year, 1998 included, you would have said this is not something that's negotiable. This is an outrageous practice, and we're not going to let the American taxpayer be abused in this area. Now, let all the other areas be abused but not this area.

Mr. BARNES. As I indicated, when we became aware of the practice, we stopped——

Mr. CHRISTENSEN. It's not stopped.

Mr. BARNES. The issue was litigated. We are bound legally by the decision of the arbitrator in terms of how the practice is to be terminated which is what we did. We were successful, and the practice will stop.

Mr. CHRISTENSEN. OK, is working part time at Camden Yards while on official time necessary, reasonable, and in the public interest?

Mr. BARNES. Absolutely not. As I indicated earlier, when I heard the allegation yesterday, even though there was no substantiation of the allegation, I immediately wrote the Inspector General and asked that they contact the union official so that it could be investigated.

Mr. CHRISTENSEN. Is the pursuit of personal business—hobbies, fishing, golf, record collecting—necessary, reasonable, and in the public interest?

Mr. BARNES. Absolutely not.

Mr. CHRISTENSEN. Is rallying stewards to support political candidates necessary?

Mr. BARNES. No.

Mr. CHRISTENSEN. How come it happens?

Mr. BARNES. What we had yesterday were allegations that I've asked the Inspector General to look into. I don't know how many of those allegations are true; how many of them are rumor; how many of them are innuendo. Our obligation is to investigate the allegation. The Office of Investigations in the IG is the appropriate place to investigate these kinds of allegations. Some less serious allegations we can investigate ourselves, but the magnitude of those allegations were such that I thought we needed professional investigators to look into it, which was why it was referred to the IG.

Mr. CHRISTENSEN. Well, according to the IG, 25 percent of the managers suspect that there if official abuse going on. Twenty-five percent of the managers also during sworn testimony are regarding this as official abuse. Now, if you've been there for 30 years, you've been in this position 2 years, it would be nice to see some action rather than just more inquiries and more delay type tactics. As you can tell, I'm not a big fan of some of the union activities that we've heard about already, and I'd like to see this stopped rather than go through another Christmas shopping season and allowing the American taxpayer to be abused once again. So, I would hope in your responsibilities as the HR head that you would bring this to a halt prior to the Christmas season.

Mr. BARNES. In order to respond to the first part of the question that you asked when you talked about the IG survey where 25 percent of the managers said they suspected abuse, that report actually shows that most of the managers who suspected abuse took the right action to follow up on it, and many of those were resolved. That's what we are about. When issues come up, our commitment is to resolve them. Some of the suspicions turned out not to be abuse.

Mr. CHRISTENSEN. Well, I'm out of time, but I hope we have another opportunity to come back and reexamine this area. Thank you, Mr. Chairman.

Chairman BUNNING. The gentleman from Arizona.

Mr. HAYWORTH. I thank the Chairman. Let's pursue that for a second. Mr. Barnes, what level of abuse is tolerable in your mind?

Mr. BARNES. No level of abuse is tolerable. I indicated earlier, the agency has a zero tolerance for abuse and fraud of any kind.

Mr. HAYWORTH. All right. I want the record to show, and I'm glad we have people here recording this, because now we have sworn testimony that there is zero tolerance for abuse. Therefore, in that spirit, Mr. Chairman, since there seems to be a difference

of definition on what an arbitrator decides is tolerable—to allow Christmas shopping on the taxpayers' dime to continue through 1998—Mr. Chairman, I would hope that the Members of this Subcommittee and our Full Committee and, indeed, the Congress, would take specific action to ensure that we don't confuse Uncle Sam and Santa Claus in the Boston region this year and specifically move to abridge Christmas shopping on the taxpayers' dime. That is no abridgement of people's individual rights, because, as I'm sure our witness will concur, freedom to shop and take care of other errands should take place on private time and not on the Government bill.

Mr. Barnes, you said you respect the report from the Office of the Inspector General, but you believe there are some misunderstandings, and you relayed those in your testimony. I appreciate the fact you respect that report. Can you offer some rationale, then, why so many managers were instructed by their union that they didn't even have to respond to the survey information requested? Do you think that's evidence of good faith and enlightenment on the part of the union to tell managers not to respond to the OIG inquiries?

Mr. BARNES. The head of the IG at the time that the reviews were done was David Williams. He asked then Acting Commissioner Callahan for his assistance in resolving some issues of noncooperation. Acting Commissioner Callahan asked me along with our General Counsel, Arthur Fried, to work with the union and with the IG to resolve those issues. We did that. We met with the union; we had conference calls. Based on those discussions, the AFGE National Office issued a memorandum to all union officials asking for their cooperation. The Inspector General then wrote back to Dr. Callahan saying that the assistance he needed had been provided and that he could move forward with the audit. Now, I'll be glad to provide a copy of that——

Mr. HAYWORTH. I'd love to see that written record, and I would, in fact, formally make a request.

[The following was subsequently received:]

SOCIAL SECURITY

Office of the Inspector General

MEMORANDUM

Date: August 21, 1997

Refer To

To: John J. Callahan
Acting Commissioner of Social Security

From: Inspector General

Subject: Current Status: Cooperation of Agency Staff and Access to Documents

On June 26, 1997, we wrote to you advising you that in performing a routine audit/evaluation of union activity at the Social Security Administration (SSA), the Office of the Inspector General (OIG) was experiencing delays in obtaining required information. Thanks to your action on this matter, a solution appears to be imminent.

We have been informed by SSA's General Counsel that the American Federation of Government Employees (AFGE) will request its members to cooperate with both our survey and audit. AFGE has identified four questions contained in the OIG survey instrument that it believes are inappropriate. It will advise its members not to answer these questions. Additionally, it will provide a letter to the OIG to distribute to AFGE representatives during the audit process advising them to cooperate with the audit, but also advising them not to answer the four questions it believes are inappropriate. Finally, it will ask its local presidents to provide current lists of union representatives.

We believe the AFGE's proposal will provide a sufficient level of cooperation to allow us to perform our survey and audit. However, we continue to wait for updated lists of AFGE representatives. Until we obtain these lists, we cannot proceed with the remaining surveys or perform our audit work. We understand that these lists are being prepared, and we look forward to receiving them shortly.

I wish to thank you and the General Counsel for your attention to this matter. I am pleased that our audit and survey work will be able to resume shortly.

David C. Williams

David C. Williams

Mr. BARNES. I'll be glad to do that, but I——

Mr. HAYWORTH. We'd love to see it, because it betrays—in fact, your accounting of this, Mr. Barnes, betrays a notion that is foreign to me in terms of requirements of Government employees on the public dime. To enter into discussions as if this were somehow negotiable when we're asking for proof of performance to get to the bottom of a problem, it seems to me, smacks of a tolerance level that betrays the fundamental notion of, first of all, of a management-labor relationship where certain reasonable requests for information are being abridged, but, secondly, it betrays to me the notion that there is no zero tolerance level of hijinks. People are allowed to rule the roost as they see fit, and then we enter into negotiations where, perhaps, an inquiry will result, and then maybe a memo comes out that says we've had those discussions and so now we've solved the problem. We've not solved the problem.

The problem, as I see it, Mr. Barnes, in the words of baseball immortal Yogi Berra is deja vu all over again. We saw it with the IRS hearings where people would come from the Government, "Oh, there's no problem. Oh, there are isolated incidents" to the point where in the other body, finally employees stepped forward having their identities shielded and then finally, finally, people stepped forward to say, "You know, there really is a problem." And it went beyond memos, and it went beyond bureaucratese into genuine abuses. I'm seeing the same type of abuses. This Congress must move forward to solve them. I thank you for your time.

Chairman BUNNING. The gentleman from Missouri, Mr. Hulshof.

Mr. HULSHOF. Thank you, Mr. Chairman. Mr. Barnes, on page 2 of your written testimony, you say that "SSA, like other Federal agencies and many firms in the private sector, such as Ford, Chrysler, Inland Steel, Armco Steel, pays for approved time spent by its employees on official time." And I guess the difference here that probably doesn't need to be stated but which I'm going to state is that union officials or union employees at Ford, Chrysler, Inland Steel, and Armco Steel are not paid by taxpayer dollars, and I think that's the reason that we are here. I think from the thrust of your written testimony and your statements, certainly, you don't believe that this is any sort of partisan witch hunt, what this Subcommittee's trying to get down to the bottom line, do you, Mr. Barnes?

Mr. BARNES. No, I do not. The examples that we provided were to illustrate that the concept of official time is not unique to the Federal Government. That was the purpose of the example.

Mr. HULSHOF. A couple of things regarding your testimony and you talked about there is a process in place, and I think we've learned there is a process, and, yet, what we're trying to determine is if the process is flawed, are there ways that we can improve that process? For instance, you made reference to the number of official hours having gone down from one year to the next, and, yet, while we may be able to track overall hours, the specific activities during those hours—and you've heard my colleagues talk about some of the most blatant abuses of official time—what suggestions do you have to improve the process as far as not just keeping track of official time, but what activities are conducted during that official time

to make sure that tax dollars are being spent in an appropriate manner?

Mr. BARNES. The process that we have in place now, when followed, works well. We have shown that you can review allegations, review and investigate them, and where the allegations are found to be correct, to be true, we correct them. The allegations that were made yesterday are serious, and we are investigating them. Had they been made earlier, we would have investigated them earlier. So, the process is there in order for us to address issues of abuse. What we need to do is make sure that everybody is in compliance with the process. I believe, and the IG report reflects, that most of our managers are in compliance. There are 5 percent of the managers who don't follow the process, and they are the people that we need to follow up on.

We now have scheduled biweekly conference calls on the appropriate procedures. In December of last year, in response to questions from managers, we issued eight pages of questions and answers on instructions for how to deal with official time issues. So, we've taken a number of steps to make sure that people have the information that they need so they can avail themselves of the process.

Mr. HULSHOF. Except, Mr. Barnes—and I'm not taking issue with you—but, for instance, when you talk about in your testimony the new automated official union time tracking system, OUTTS——

Mr. BARNES. Yes.

Mr. HULSHOF [continuing]. OK you indicate or you believe will enable SSA to monitor official time and ensure total time spent on certain activities is not excessive, and yesterday the Inspector General and certainly the four witnesses, the gentlemen we had here testifying yesterday, said that the data that comes out will only be as good as the data that goes in, and union officials are refusing to supply the needed data. How can we make sure that this system that you champion is going to work?

Mr. BARNES. Union officials have not refused to provide the data that go in. The issue of the IG questionnaire was one that dealt with the issue of cooperation. We have worked with the union; we've worked with the Management Association; we've worked with agency executives who have systems that accurately capture the time that's used. The IG audit report had some suggestions that we are implementing as part of that process. One of the things they suggested that we do is negative verification; that is, those offices from which we don't get a report, we should not assume didn't have any activity, but should follow up with them, which we're doing, in an automated way as part of this process to take every step humanly possible to make sure that the information is correct. That's what the OUTTS system will do.

Mr. HULSHOF. And we'll get to visit with the AFGE in a minute. Let me ask you, is it true that SSA recently negotiated away the agency's right to check references on employees seeking promotion, and, instead, managers are forced to select candidates blindly from an alphabetized list?

Mr. BARNES. I'm not familiar with that. I need to check and see. I've not heard that that has occurred, but I would like to check and provide a statement for the record.

Mr. HULSHOF. I would appreciate that. Thank you, Mr. Barnes. Thank you, Mr. Chairman.

[The following was subsequently received:]

SSA has not waived its right to do reference checks on new hires. In Article 26, section 11(a) of the SSA/AFGE Merit Promotion Plan, however, there is a provision which provides that once a well-qualified list is established by an assessment panel for internal promotions, no additional information can be gathered by a selecting offical.

It is important to note, however, that for the largest organizational component within SSA, the Office of Operations, the SAA/AFGE Merit Promotion Plan does not apply. Operations is still operating under a prior plan, the National Promotion Plan, which permits reference checks after a well-qualified list has been established.

Chairman BUNNING. Mr. Collins.

Mr. COLLINS. Thank you, Mr. Chairman. Mr. Barnes, I've been in a small business for some time, about 35 years. In fact, I've been in the trucking business for equivalent length of time. And in our business—you know, everyone always has a little bit of a slogan for their own operation—we have a little saying that when we have a driver of one of our rigs who becomes lax, nonattentive, ignores a lot of things that he should be paying close attention to, we say at that point there's a lot of slack between the seat and the steering wheel. Based on the reports that we've seen and heard and read in the last few days, I believe there's a lot of slack between the seat and the steering wheel at the Social Security Administration. The IG report confirms that; the statements that we've read and heard have confirmed that; you, in a sense, have confirmed that. That's got to change. I know that you've said there have been some changes taking place and are taking place today. The IG says there are some changes taking place, positive changes. That must happen. We must have a change.

You know, the funds that you deal with, they're not government funds. Those funds come out of the first dollar earned of every working American. Part of that first dollar, every dollar, goes to the Social Security Administration for you to look after, so that they will have it in their retirement years to help fill a void.

When you're slack, negligent, not complying with the rules and regulations and the contracts that you have with your employees, that's wrong, and it must stop. I hope these hearings, I hope these reports will result in a lot of change. There will be change, if change doesn't occur.

Thank you, Mr. Chairman.

Mr. BARNES. I'd like to respond to that.

Chairman BUNNING. Go ahead and respond.

Mr. BARNES. I have worked for the Social Security Administration for 30 years. I was born in the State of Tennessee. I've worked in Georgia. I've picked cotton; I've pulled corn; I've stripped sorghum. I understand what it means to work hard. I started as a claims representative. My mother receives Social Security.

If you look at our record, if you look at what we are doing now, our performance levels are the best they have ever been. The customer satisfaction surveys that are done by independent groups show that customer satisfaction with our service is at its highest

level ever. The 800 number that we have was voted as the best in either public or private sector. Our work on the Y2K has been recognized as the best in government.

A lot of these things grew out of partnerships. I have been personally involved in a lot of the partnership activities that have led to improvements in customer service. Customer service for me is the most important thing that we do in Social Security to make sure that everybody, not just my mother, but everybody who is entitled to a check gets the right amount and on time.

We take very seriously that responsibility. We are not slack. We're not perfect. There are things that we are working to improve that we talk about in this report, but the service level of our organization right now is the best it's been in the 30 years I've been with the agency.

Mr. COLLINS. That is an indication of positive change, and it also is an indication that you're very defensive.

Mr. BARNES. No, sir, I'm just reporting——

Mr. COLLINS. We want the results, and the results are that the fleecing of the American taxpayer must stop. Fourteen million dollars in one year for union activities in the Social Security Administration is too much. That's down to about 13—still too much. That's fleecing the American taxpayer, and it must stop.

Chairman BUNNING. Mr. Weller.

Mr. WELLER. Thank you, Mr. Chairman, and I want to also commend you for holding these hearings. As the guardians of the taxpayer dollar, which, of course, is the responsibility of the Congress, I want to commend you for bringing this issue forward.

Mr. Barnes, you know, I'm a supporter of collective bargaining, as I've pointed out every day of these hearings, and I'm anxious to see collective bargaining work. As a legislator, I'm also anxious to work to protect the taxpayer dollar.

I find in one's constituents' contact, our congressional offices, that most of the requests for help from constituents tend to revolve around Social Security. In many cases seniors need a little help cutting redtape. We appreciate the response of employees that you have, and sometimes we're frustrated when it takes too long because we know how frustrated senior citizens are when they haven't gotten their check yet or their benefits they feel they're due. We're anxious to work to see that.

I become, frankly, a little concerned when those who are charged with safeguarding the Social Security dollar, safeguarding the Social Security Trust Fund, clearly, in case after case appear to be abusing the tax dollar. You use the term "official time," and I believe it should be called "taxpayer time," because it's time at the taxpayer's expense.

We've uncovered in the last few days cases where just examples which are easy to remember about employees of the Social Security Administration going shopping for Christmas gifts on taxpayer time while others are working. A case over in Baltimore where an employee, on taxpayer time, is two-timing the taxpayers by working over at Camden Yards, some speculate as a hot dog vendor.

I'm trying to get a feel for how you, as Associate Administrator, go about investigating allegations. Yesterday John Reusing, under oath, who's a long-time official of the union and Social Security Of-

fice of Administration in Baltimore, pointed out under oath that there's virtually no supervision of officers and stewards by management or union officials. He stated that this has led to rampant abuse of official time, which, of course, folks back home call "taxpayer time."

When there's allegations regarding employees going Christmas shopping on taxpayer time or allegations where there's the appearance of abuse where somebody is two-timing the taxpayers by selling hotdogs at the ball game while he or she should be in the office helping taxpayers with Social Security benefits—how do you go about investigating this? Because, clearly, from the statements of those under oath yesterday, no one referred the hot dog vendor to the Inspector General, even though Mr. Reusing said it was common knowledge yesterday that this abuse was going on. Tell me what the process is when you hear this where an employee is abusing taxpayer time, that you begin an investigation into this type of allegation.

Mr. BARNES. As I indicated earlier, when the issue of whether or not an employee is on official time while working for the Baltimore Orioles came to our attention, we did what we should do, which is to have the Inspector General investigate the allegation. It is an allegation, but we will investigate it, and we've already made——

Mr. WELLER. When did you make this request to investigate the hot dog vendor?

Mr. BARNES. About 6:30 last night, I sent——

Mr. WELLER. So after this hearing brought forward, even though it was common knowledge in the office——

Mr. BARNES. Well, it was not common knowledge to myself or to managers. If we had heard that earlier, we would have investigated earlier. What you have is a report, unsubstantiated, from one person that we are investigating.

We investigate allegations of abuse. I have not found in those investigations any pattern of abuse. As I recall in the IG testimony, he made the same statement in terms of not finding any pattern of abuse.

What people allege or what they may perceive in terms of what is actual reality are often two different things.

Mr. WELLER. Mr. Barnes, you said——

Mr. BARNES. Our obligation is to investigate, which we do.

Mr. WELLER. And, Mr. Barnes, why, the question is, in the case of the hot dog vendor, why did you wait until this hearing uncovered this allegation, when there were allegations in the Inspector General's report, which we've all had in our hands for some time now?

Mr. BARNES. There's nothing in the Inspector General's report that talks about an allegation of someone working for the Baltimore Orioles selling——

Mr. WELLER. Well, if the management and workers, including union officials, say it's common knowledge, why would the management not look into it?

Mr. BARNES. One person who—you have one person who said it was common knowledge. It was not common knowledge, in my view. We were not aware of it. When we became aware of the allegation, we asked that an investigation be conducted.

Mr. WELLER. Do you have examples of where allegations were made where you investigated it and found the allegations were correct that you can share with us?

Mr. BARNES. Beg your pardon?

Mr. WELLER. Do you have an example, a recent example, where there was an allegation made where you made an investigation and found out the allegation was correct? Have you investigated——

Mr. BARNES. Yes, there was an example—and I can provide it in writing for the panel—of an abuse situation involving an official in the New York region. The Inspector General——

Chairman BUNNING. Without objection, you can send us that.

Mr. BARNES. Beg your pardon?

Chairman BUNNING. Without objection, you can send us that report, if you will.

Mr. BARNES. OK, we'd be glad to.

[The following was subsequently received:]

An example of an abuse situation in which the OIG conducted an investigation and action was taken against a union representative is as follows. OIG looked into irregularities in the travel practices of an employee who works in a field office. When the investigation was concluded, the U.S. Attorney declined to initiate criminal prosecution. However, the case was returned to the Agency for administrative action. After considerable deliberation, the employee was charged with knowingly and repeatedly accepting payment of travel and per diem to which he was not entitled. He received a 60-day suspension.

Chairman BUNNING. Thank you.

Mr. WELLER. Thank you, Mr. Chairman.

Chairman BUNNING. OK. I've got a couple of questions that I want to get some answers, and I don't want to delay the hearing, but I have got to get answers for these.

How many people are specifically involved in the partnership activity?

Mr. BARNES. In SSA, we have 42 partnership councils, 42——

Chairman BUNNING. OK.

Mr. BARNES [continuing]. At various levels and——

Chairman BUNNING. How many people are involved?

Mr. BARNES. Most of the partnership councils have 10 to 12 members. I can give you a list and an actual count. I don't have that with me today, but I can provide for the record——

Chairman BUNNING. Would you please provide that for the committee?

Mr. BARNES [continuing]. Yes—the members of the 42 partnership councils.

[The following was subsequently received:]

SSA Partnership Councils

National Partnership Council

Central Office Partnership Councils	Field Component Partnership Councils
Office of Human Resources	Atlanta Regional Council
Office of Programs and Policy	Chicago Regional Field Council
- Office of Hearings and Appeals	- Great Lakes Program Service Center
Operations	- 20 Area Councils
- Office of Disability and International Operations	Dallas Regional Council
- Office of Central Records Operations	Kansas City Regional Council
Office of the General Counsel	New York Regional Council
Office of Finance, Assessment, and Management	- Regional Field Council
- Office of Finance, Assessment, and Management/Natioanl Council of Field Assessment Locals	- New Jersey Field Council
Office of Systems	- Puerto Rico Council
	Philadelphia Regional Council
	Seattle Regional Council

Total # of Partnership Councils - 42

Note: This inventory reflects Councils, not Workgroups, that were formally chartered with an agreement between Union and Management signed by 08/15/97.

Chairman BUNNING. Is it right to spend time away from serving the American people without accounting for what time has been spent away, which is what the union does?

Mr. BARNES. Well, no, we——

Chairman BUNNING. You don't know what they're doing on their union or their time.

Mr. BARNES. Beg your pardon?

Chairman BUNNING. You don't know what they're doing. They don't have to fill out and tell you what they're doing. They only have to say: We were on this time.

Mr. BARNES. No, sir, the reports——

Chairman BUNNING. No, sir?

Mr. BARNES [continuing]. The form that they complete requires more information than that, and most often the forms are completed properly. Where a form is not completed properly, then we need to have some dialogue we to make sure that it's done. But the forms—and we'll be glad to provide examples, as the IG did——

Chairman BUNNING. Well, I mean, you could provide examples with the ones that have the forms filled out correctly, but we know that there are forms that are not filled out, and you don't know what the people are doing on official time.

Mr. BARNES. I'm sure there's some examples where forms are filled out incorrectly——

Chairman BUNNING. Why is a union allowed to determine the number of hours of union representation? In other words, have you negotiated that in your contract with them?

Mr. BARNES. What we have in the contract is a provision that says that the amount of official time that's to be granted for a particular activity has to be reasonable and necessary. They provide their assessment of what's reasonable and necessary, and we have to make a judgment as to whether or not that's correct.

Chairman BUNNING. Why is the union allowed to determine the location of union representation? In other words, why would three be in one office and none be in another office?

Mr. BARNES. The example in Tulsa that you are referring to is unusual. It's the only office where we have——

Chairman BUNNING. That's very unusual; we were told that.

Mr. BARNES. I understand. I was trying to explain what happened. In Tulsa, three union officials who were 100-percenters are officers at different levels of the union. One is a national officer; one is the regional vice president for the entire Dallas region, and one is the State president for the State of Oklahoma. By happenstance, they wound up in the same office. It's unusual. It's rare. But that office is not penalized for having those three full-time union officials there. The way we allocate resources to our field offices throughout the country is to not consider the union officials assigned to those offices. Since that's an activity that benefits the whole organization, whatever staffing that is assigned to union activity is literally taken off the top and then the staffing is allocated to the offices.

Chairman BUNNING. Mr. Barnes, your testimony conflicts with the manager's testimony from yesterday.

Mr. BARNES. Well, I'll be glad to provide in writing a——

Chairman BUNNING. In other words, he said that when those three are not available to work, he has a difficult time in keeping up with regular Social Security business.

Mr. BARNES. I will be glad to provide for the record, from the Regional Commissioner in Dallas, how staffing is allocated to the office in Oklahoma.

[The following was subsequently received:]

SSA addresses its need for union representatives in formulating the budget that it submits to Congress. SSA bases its allocation of staff to its 1,300 field offices on workload projections. However, at the regional and local areas, it makes allowances according to the level of authorized labor relations activity involving the local union representatives in each office.

With respect to the Tulsa, Oklahoma office, the Dallas Region allocates one full-time equivalent (FTE) for each 100 percent union official in that region. Those FTEs are distributed to the appropriate area. In turn, the area director, in determining staffing for each of his/her facilities, factors in the allocation for union representatives. The first determinant in allocating staff is based on workloads. Other special factors are considered as well. Such considerations included non-English speaking clientele, education levels, literacy, poverty, etc.

Chairman BUNNING. When does the current national agreement expire?

Mr. BARNES. In March of next year.

Chairman BUNNING. And you're not going to roll it over, I hope?

Mr. BARNES. Well, we have not decided what we're going to do with the contract.

Chairman BUNNING. We're going to be watching very closely to see what is done with that agreement, if you are really going to get to some of the problems that we're trying to address.

This is the last question. You have indicated SSA's ability to monitor the union use of official time is severely hampered by a series of arbitrator or Federal Labor Relation Authority, FLRA, decisions. Can you explain this?

Mr. BARNES. Before we worked out what was in the contract for 1990 that deals with the concept of bank and non-bank hours for official time, in terms of how much time is available, there was a decision from an arbitrator——

Chairman BUNNING. Is it binding on SSA?

Mr. BARNES. Yes, sir, it is, and I'll be glad to provide you a copy of that.

[The Arbitration Proceedings referred to by Chairman Bunning is being retained in the Committee files.]

Mr. BARNES. Basically, the arbitrator's decision did not establish any limits on how much time could be used. So what we did in the negotiation process was to establish some limits, but, still, the decision also gets into how many questions you can ask in terms of the activity that the person is engaged in; that is, how much you need to put on the form. We'll be glad to share that form——

[The following was subsequently received:]

OFFICIAL TIME FORM

NAME		OFFICE		DO CODE	
				REGION	
DATE(S)	FROM: TO:	TIME	FROM: TO:	COUNCIL	
				LOCAL	
LOCATION TO WHICH GOING:				TIME USED	

BANK TIME:		HOURS	MINUTES	HOURS	MINUTES
Local	BA				
Regional	BC				
National	BD				
Total Bank Time Used: BE					
NON-BANK TIME:					
Mid-Term Consultation/Bargaining	: AB				
Term Bargaining	: AC				
FLRA and MSPB Proceedings	: AD				
EEO Formal Complaints	: AE				
Management-Filed Grievances	: AF				
Travel Time	: CA				
Total Bank and Non-Bank Time Used: CB					

UNION OFFICIAL'S SIGNATURE	DATE

REASON (To be completed by the supervisor if not granting time)

SUPERVISOR'S SIGNATURE	DATE

TO BE COMPLETED BY THE UNION ON THE UNION COPY

NAME OF PERSON CONTACTED (or on whose behalf)

SUBJECT	INITIAL 75
	AMENDED 75

FORM **SSA-75-U4-F** (5-90)

*U.S. GPO: 1995-404-818/20529

Original and First Copy: Union
Second and Third Copies: Management

Chairman BUNNING. Can you make suggestions to this Subcommittee, if you are having problems, for legislative remedies, some of the problems and some of the things that you might see that we could remedy by legislation?

Mr. BARNES. We believe that we have worked through those problems with the processes that we have established since 1990 to deal with the issue of how official time is assigned——

Chairman BUNNING. Mr. Barnes, I'm very patient, but in looking at the record since 1990, there are a lot of people at this Subcommittee, and I'm sure at the Full Committee, that don't agree with that. So rather than us writing legislation that you may not agree with, I suggest that you make recommendations to this Subcommittee, because then we may be able to work together to better this partnership relationship that you have with your union. Otherwise, you're liable to get legislation that you don't like, and I don't want to do that. So I would suggest that you work with the Subcommittee, and then, if we can work together and find some solutions to what we think are very serious problems, we can do better that way than having it stuffed down someone's throat.

You're not going to respond?

Mr. BARNES. Oh, I thought I already did. We believe that legislation is not necessary——

Chairman BUNNING. OK.

Mr. BARNES [continuing]. Because we've been able to work through the issues and to work them out.

Chairman BUNNING. Anybody else?

[No response.]

We may be submitting additional questions in writing to you for the record. Thank you for your testimony. We appreciate it very much.

[Questions from Chairman Bunning, and Mr. Barnes' answers, follow:]

SOCIAL SECURITY

MEMORANDUM

Office of the Inspector General

Date: NOV 13 1998

Refer To:

To: Paul D. Barnes
Deputy Commissioner for Human Resources

From: Acting Inspector General

Subject: Results of Investigation into the Alleged Abuse of Official Time by SSA Employees

Based on a request from you and the Minority Members of the Subcommittee on Social Security, the Office of Investigations (OI) conducted an investigation on allegations of misconduct, specifically, the abuse of official time by members of the American Federation of Government Employees (AFGE). A vice president of AFGE local 1923 alleged, during his testimony before the Subcommittee on Social Security, that several stewards and/or officers of AFGE abused official time while being paid by the Social Security Administration (SSA) to perform officially sanctioned duties. The allegations included descriptions of individual activities such as conducting real estate transactions, working for a professional baseball club, performing prohibited union duties, and making home improvements.

We conducted our investigation between July 28 and September 30, 1998, that included the review of official personnel files, SF-7B extension files, and available documents related to financial and professional licensure records. We interviewed the AFGE vice president, who testified regarding the allegations, on several occasions. We also interviewed the most recent supervisors of the subjects and a representative of the Office of Labor Management and Employee Relations who has had extensive historical experience with the subjects of the investigation. We interviewed all four subjects named in the original allegations, and three of them agreed to provide sworn affidavits in support of their responses.

During the course of the investigation, OI found no corroborative nor substantive evidence to support the allegations as they relate to the four original subjects.

I have attached a case summary of the investigation, which will also be provided to the Chairman and Ranking Minority Member of the Subcommittee on Social Security.

If we can be of any further assistance in this matter, please call me or have your staff contact Samuel Holland, Assistant Inspector General for Investigations, at (410) 966-2275.

James G. Huse, Jr.
Acting Inspector General

Attachment

Social Security Administration
Office of the Inspector General
Office of Investigations

Case Summary

On July 28, 1998, the Social Security Administration (SSA) Office of the Inspector General (OIG) Office of Investigations (OI) initiated an investigation into allegations of misconduct by members of the American Federation of Government Employees (AFGE). The investigation was initiated in response to a July 23, 1998, verbal request from the Honorable James Bunning, Chairman, Subcommittee on Social Security. Minority members of the Subcommittee made a similar request to Mr. Huse in a letter dated August 21, 1998. Both requests addressed allegations of time and attendance abuse originating from the testimony before the subcommittee of an AFGE local 1923 vice president. The official alleged that stewards and officers of the AFGE were abusing official time. Specifically, he alleged that certain union officials, individually, were selling real estate, working for a professional baseball team, performing prohibited union duties, or making home improvements while being paid by SSA to perform officially sanctioned union duties.

Investigative efforts focused on the identification and review of pertinent documents and interviews of subjects and witnesses with potentially relevant information. We reviewed official personnel folders and SF-7B extension files of the subjects named in the allegation(s) for indications of SSA-initiated disciplinary actions or other sanctions that related to time abuse(s). Our review yielded no such evidence. We also reviewed available financial and professional licensure records and data from the SSA mainframe time and attendance system (MTAS). Nothing in the documentary review supported the allegations.

We supplemented our documentary reviews by interviewing, both persons believed to have relevant information and those in a position to observe the alleged behavior if it occurred. We interviewed the AFGE official initiating the allegations, the most recent supervisors of the identified subjects and an SSA management specialist, who specializes in labor management/employee relations and who has extensive historical experience with the subjects. None of the information produced during those interviews corroborates the allegations as reported to the Subcommittee.

The four subjects identified as the result of the allegations made during the Hearing have cooperated with the investigation and agreed to be interviewed for the record. Three of them submitted sworn affidavits in support of their rebuttal responses; the other, who transferred to another office some time ago, declined to be an affiant, but vehemently denied the allegations in a telephone interview.

A fifth subject, recently identified by the witness, is on an extended absence from SSA that began early in July 1998. Interviews of his former supervisors indicate he apparently has a chronic pattern of time and attendance abuse, including an incident that involves official time. Investigation of this matter continues.

During the course of its investigation, SSA/OIG/OI found neither corroborative nor substantive evidence to support the allegations as they relate to the four original subjects.

1. **We know that according to the IG, 25% of managers surveyed suspect official time abuse. We have sworn testimony regarding official abuse. We have sworn testimony that full-time officials are not required to discuss the substance of their activity and there is no way to verify their allegations. Do you think this is wrong? What do you plan to do about it? Will you launch a detailed investigation?**

Answer:

SSA has zero tolerance for any form of fraud, including abuse of official time. Our labor agreements also have provisions on how to handle allegations of official time abuse. The IG report indicates that most managers who suspected abuse initiated action for resolution. In addition, 95% of the managers stated that they could seek help from SSA's labor relations personnel to resolve issues involving official time. SSA continues to work to ensure appropriate use of official time by periodically providing reminders and guidance to managers on these issues. The guidance has been influenced by case law developed from arbitration and Federal Labor Relations Authority decisions. Since 1982, these decisions have restricted management discretion in approving or denying official time requests, as well as management's authority to elicit detailed information about the nature of these requests. However, allegations of official time abuse have been investigated. We have also worked closely with the Office of the Inspector General to coordinate the investigation of the allegations of abuse that arose at this hearing. The Inspector General investigated the allegations made at the hearing and found "no corroborative nor substantive evidence to support the allegations...." The Inspector General's memorandum of November 13, 1998, is attached.

Moreover, we have recently instituted regularly scheduled conference calls dedicated exclusively to discussing official time issues. Among the issues discussed is the appropriateness of using official time for particular activities.

2. **As stewards of this vital program and as implementers of the Government Performance and Results Act, you know that holding executive agencies accountable for results is a key to better management of programs. What benefits do taxpayers derive from official time? How do you know? Do you have specific data to support this?**

Answer:

In enacting the Federal Labor-Management Relations Statute, the Congress concluded that time working with employees through their representatives is in the public interest and facilitates the resolution of workplace disputes. SSA has found this conclusion to be true in practice. SSA has undertaken many initiatives in order to increase efficiency and improve its service to the taxpayers, while at the same time, responding to Congressionally-mandated streamlining and downsizing, as well as implementing legislative and regulatory changes affecting the Social Security program. Successful accomplishment of these objectives would not be possible without the investment in official time, as provided in the Statute. Among the many initiatives implemented successfully after negotiations are: the nationwide effort to install Intelligent Work Stations/Local Area Networks and Systems Furniture, the

establishment of a Direct Service Unit in headquarters, the expansion of the Baltimore Teleservice Center, the development of the world-class 800 Number Expert System, and the establishment of Screening Units and Decision Writing Units and many other efforts to improve processing of disability claims.

3. When does the current National Agreement expire?

Answer:

The current National Agreement between the American Federation of Government Employees and the Social Security Administration expires in March 1999.

Do you plan to negotiate a new agreement? When are negotiations due to begin?

Answer:

We began negotiations on a new agreement in January 1999.

What is the agency doing to prepare for the upcoming negotiations?

Answer:

In preparation for the negotiations, SSA canvassed the various components for suggestions on which articles in the existing agreement should be opened for negotiations. Labor relations practitioners have conducted a review of the contract to identify areas that may also need to be addressed during negotiations.

Management has identified individuals to serve as its representatives during negotiations. The individuals were carefully selected to ensure that appropriate components in the organization are represented. These are managers who are involved directly in providing services to the American public and/or in supporting those who provide the services. The team meets periodically to discuss issues that need to be addressed during the negotiations. We have also provided training to the team on negotiating techniques. Finally, representatives from Union and Management met in October 1998 to adopt ground rules to be used during the negotiations.

Will your chief negotiator and their negotiating team be experienced and able to represent the interests of your front-line employees and their managers?

Answer:

As mentioned earlier, the individuals selected by management to serve as its representatives during negotiations were carefully selected. Management was particularly interested in ensuring that appropriate components in the organization are represented. These are

managers who are involved directly in providing services to the American public and/or in supporting those who provide the services. They are exceedingly well qualified for this task.

We continue to hear that SSA has practically shut down production in CDRs, overpayment collection, fraud prosecution, representative payee investigations, quality reviews, technical training, and contact station service, field representatives and their public information contributions because of staffing shortages. As stewards of the program, how do you explain so many part-time union workers spending up to 75% of their day working on union business; allowing 146 people to spend all of their day on union business; and allowing still a different group of 1000+ employees to work as stewards? How many employees does SSA plan to lose over the next few years? Is the agency preparing to address this problem during negotiations and put these resources currently spent on union activities back into production?

Answer:

SSA has not practically shut down production in CDRs, overpayment collection, fraud prosecution, representative payee investigations, quality reviews, technical training, and contact station service, field representatives and their public information contributions. The Social Security Accountability Report for Fiscal Year 1998 includes information on our accomplishments in this area. For example, in FY 1998, SSA conducted 1,391,889 CDRs which is over 101 percent more periodic CDRs than in FY 1997. The number of criminal convictions resulting from our fraud and abuse programs rose from 2,507 in FY 1997 to 2,762 in FY 1998.

The SSA Budget includes a reduction of 1,800 FTEs over the next few years. While the projected reduction includes direct service positions, it will affect mainly supervisory, administrative, and managerial positions, as opposed to positions that provide direct service to the public.

The Statute authorizes official time for union representatives to engage in representational activities. While use of official time does represent time that the employees would otherwise be performing their regular job duties, we believe that the investment in official time is far outweighed by the results of such initiatives. In FY 1997, SSA had 141 union representatives who spent all or virtually all of their time on official time. Other employees use official time in a variety of roles, including as stewards. In Fiscal Year 1997, there was a 19 percent decrease in the number of hours of official time that employees spent on union activities as compared to Fiscal Year 1996.

It should be noted that managers can deny official time when it would not be appropriate. It is appropriate to deny official time if the number of hours exceeds the negotiated limits on official time hours. It may also be appropriate to deny official time if the request for official time is not reasonable and/or interferes with an operational exigency, such as being in the middle of a claimant's interview.

The article on Official Time will be discussed during the upcoming negotiations. During these negotiations, SSA will continue to ensure that SSA's mission requirements are addressed, to ensure that SSA delivers the best possible service to the American taxpayer.

Is it true that SSA recently negotiated away the agency's right to check references on employees seeking promotion and that instead, managers are forced to select candidates blindly from an alphabetized list? This would be a terrible blow to the agency's ability to select the best candidate for the job and insure quality in the future. Will the agency demand to reverse this agreement during negotiations?

Answer:

SSA has not waived its right to do reference checks on new hires. In Article 26, section 11 (a) of the SSA/AFGE Merit Promotion Plan, there is a provision which provides that once a well-qualified list is established by an assessment panel for internal promotions, no additional information can be gathered by a selecting official. However, selecting officials can obtain additional information through the panel. Management agreed to end the practice of soliciting confidential recommendations from supervisors of employees referred on well-qualified lists for bargaining unit positions. However, merit promotion selections in SSA have never been based on such informal recommendations, so there is no reason to believe that eliminating them affects our ability to select the best qualified candidates.

The statement that "managers are forced to select candidates blindly from an alphabetized list" is not accurate. Selecting officials are free to select any of the top ranked candidates referred. Preliminary to that, they may also review the written applications submitted by the well-qualified candidates, in which they describe their relevant experience, training and education and awards. They may conduct selection interviews with the candidates referred on the well-qualified lists as well.

It is important to note, however, that for the largest organizational component within SSA, the Office of Operations, the SSA/AFGE Merit Promotion Plan does not apply. Operations is still using a prior merit promotion plan, the National Promotion Plan, which permits reference checks after a well-qualified list has been established.

Article 26 has not been identified by either SSA or by the Union as one that would "rollover". Therefore, it will be bargained during the negotiations.

Why would you sign an agreement with the union giving into their demand to allow employees to flex into work so early that they actually go home before the doors are shut to the public? In SSA, offices are open until 4:00 p.m. to 4:40 p.m., but employees can go home at 3:45 p.m. Do you plan addressing this provision in the contract?

Answer:

The Agreement between AFGE and SSA does not allow all the employees to leave the office before closing hours. The provisions in the Agreement regarding flexible work schedules specify that there will be two shifts during the workday. While employees working the earlier shift may complete their tour before the office closes to the public, employees from the later shifts continue to provide services to the public. Managers have the right (and the responsibility) to determine the number of employees selected to work on the second shift, so as to assure an adequate number of employees are on duty while the public is being served.

4. **We heard from witnesses that the number of EEO complaints filed is rising. Is that true? What is the average cost of an EEO complaint? Are these costs included in what you report to the Congress as part of your official time costs?**

Answer:

The number of EEO complaints filed in FY 1997 was 589, a slight increase of the number filed in FY 1996, 580. The average cost to process an EEO complaint from the initial EEO counseling through a hearing and final agency decision has been estimated to be $15,000. Less than 20 percent of all complaints involve representation of the complainant by a union official. The time spent by a union official is currently included in the official time costs that SSA reports to Congress. However, this issue may be re-examined since time spent in EEO complaints does not result from the Federal Service Labor-Management Relations Statute, but rather from Title VII of the Civil Rights Act.

5. **Are full-time union officials paid overtime for working solely on union activities?**

Answer:

No union official is paid overtime for working on union activities. Under the Federal Labor-Management Relations Statute, and as a general rule, union representatives are not entitled to receive overtime pay for representational activities performed outside their regularly scheduled tour of duty.

6. **There are numerous cases of documented abuse where union employees have been rude and threatening to management, calling them names, using profanity, taking over parts of the office without permission and refusing direct orders to vacate it. What support do you provide your managers in these situations? What action have you taken to show your concern and support?**

Answer:

We are unaware of numerous instances of rude and threatening behavior. However, as they become aware of these very rare situations, managers and labor relations staffs at the appropriate level advise and assist the manager involved on how to handle the situation. In at least one instance, the Regional Commissioner met with local union officials to discuss such an incident and obtained assurances that the individual involved, who was not an SSA employee, would not be invited back to an SSA office.

7. **Is it true that managers are prohibited from using numerics or in any way referring to employees production and quality percentages in discussion with employees and in appraising performance? Isn't it accountability in government exactly what the taxpayer is saying he wants? Has SSA prohibited the agency from gathering hard data to rate employees' accountability at the individual level?**

Answer:

The goal of SSA's performance assessment system is to promote teamwork and improved organizational performance via constructive, two-way communication between employees and their supervisors. We believe the best way to achieve that goal is to use data collection and analysis primarily to evaluate the success of organizations and their processes rather than using numerical goals to evaluate individual employees. However, if data indicate repeated problems in a particular area and further analysis points to their being attributable to specific employees, then those problems are addressed through a personal performance assistance process. This process is designed to help those employees improve and is tailored to their specific needs. It may include training, counseling, assignment of a mentor or other assistance as appropriate. This approach has been successful in improving both employee and organizational performance.

SSA still makes extensive use of quantitative data about its workloads and service. We have changed our focus from the assessment of individual employees using quantitative data to the use of such data to analyze the processes used to complete the work and to deliver service to the public. This analysis focuses on ways to improve the process by studying statistical trends and variations.

SSA has done much to identify our customers' expectations and to get input from employees on what our goals should be. These goals are published in our Agency Strategic Plan, and our progress against these goals is published in the annual Accountability Report. More detailed data are available to our regional offices and, through them to our field offices and

Program Service Centers. Also, the Office of Central Operations receives data about the workloads in its components. All of our components make extensive use of these data to assess their own service delivery and productivity. The focus is on making constructive use of the data to achieve continuous improvement in all areas.

8. **Has the agency agreed to the union request to take promotions out of the hands of skilled managers and place it in the hands of bargaining unit employees who have never hired or promoted anyone and who are not responsible for their production? I'm told the last agreement signed actually set up a panel of employees to rate promotion candidates by the criteria the panel established and using only the information the applicant submits. Then the manager, who is still responsible for the office, is prohibited from calling the applicant's prior manager or supervisors for references. The promoting manager can no longer ask questions about the applicant's past performance.**

Answer:

The Agency has not agreed to take promotions out of the hands of skilled managers and place them in the hands of bargaining unit employees. Merit promotion selections continue to be made exclusively by management selecting officials. SSA's merit promotion plans have traditionally provided for applicants to be rated against established criteria by panels appointed by management. Bargaining unit employees have always been appointed to serve on these panels, along with management or staff employees. The major changes in this process resulting from the National Agreement are that bargaining unit employees now have the opportunity to volunteer to be appointed by management to serve on assessment panels, that management now appoints an equal number of management/staff and bargaining unit employees to serve on assessment panels, and that assessment panels now prepare, subject to management approval, the assessment criteria used to evaluate applicants.

It is true that applicants are evaluated on the information they submit regarding their experience, training and education and awards pertinent to the position being filled. However, as explained in the comments on Question #3, selecting officials have the option to expand upon the panel's assessment by reviewing the actual employee applications and conducting selection interviews with well-qualified candidates if they wish.

9. **Has SSA agreed to a union demand to be put in charge of awards instead of management? Is letting the union have the money to pass out so that everyone sees they had better join the union if they want to stay in favor and get an award your definition of Partnership?**

Answer:

The union has not demanded to be, nor has it been placed, in charge of the awards program at SSA. However, both SSA management and AFGE officials have a role in the process. Award panels consisting of an equal number of management/staff employees and bargaining unit employees make recommendations to management for performance awards for AFGE bargaining unit employees. They have the authority to grant special act or service awards for those same employees. Thus, the granting of monetary awards is a shared responsibility in which management, as well as the union, play integral roles.

The granting of monetary awards is a shared responsibility of which management plays a primary role and thus is not predicated upon or based on union membership. The Award Guidelines that the National Partnership Council publishes each year specify that: "Awards panels will perform their functions in a manner consistent with government-wide rules and regulations and the National Agreement." Government regulations specify that awards are to be based on performance.

10. **Is it not true that many of the full-time union employees were designated full-time only after their own poor performance placed them in danger of losing their jobs? I was informed that in Dallas, 8 of the 9 full-timers were being documented for removal when they were designated as full-time union officials by the Union.**

Answer:

There were eight union representatives in field operations offices in the Dallas region who spent 75% or more of their time on official time (considered to be full-time union representatives) during 1997. One of the eight representatives was on a performance enhancement plan (PEP) prior to becoming a full-time union representative. The PEP had been terminated prior to the employee becoming a full-time union representative. We are unaware of any documented removal actions for other employees.

The second panel today—and this is one name I'm going to mispronounce, I'll tell you, the name's tough—Witold Skwierczynski; is that right? No? OK. [Laughter.]

Mr. SKWIERCZYNSKI. Close.

Chairman BUNNING. Close?

Would you pronounce your name, so I can——

Mr. SKWIERCZYNSKI. Yes, Witold Skwierczynski. I use the Polish pronunciation: "W's" as "V's" and the "Cz" and a "Ch."

Chairman BUNNING. "Sirchenski?"

Mr. SKWIERCZYNSKI. "Skeer"——

Chairman BUNNING. "Skeerchenski."

Mr. SKWIERCZYNSKI. Like a "V," "Skwierczynski."

Chairman BUNNING. Skwierczynski. Thank you.

President of the National Council of the Social Securites Administration Field Operations locals, American Federation of Government Employees, AFL–CIO.

Would you please rise and please raise your right hand.

[Witness sworn.]

Chairman BUNNING. If you would begin your testimony, we would appreciate it.

STATEMENT OF WITOLD SKWIERCZYNSKI, PRESIDENT, NATIONAL COUNCIL OF SSA FIELD OPERATIONS LOCALS, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL–CIO, CHICAGO, ILLINOIS; AND COCHAIR, NATIONAL PARTNERSHIP COUNCIL

Mr. SKWIERCZYNSKI. OK, I've submitted a statement which I would like included in the record.

Chairman BUNNING. Absolutely, without objection.

Mr. SKWIERCZYNSKI. My position in the union is I represent Social Security employees who work in 1,200 field offices across the country, the size ranging from 1 person in some of our resident stations, to teleservice centers, also 37 teleservice centers I represent which are as large as 550 people.

I've been very disturbed about the statements and allegations that have been made by some Members of this Subcommittee in the past 3 days regarding alleged abuses by union officials of official time. In fact, I'm outraged by the kind of distorted statements and the kind of allegations that have come out of some Members of this Subcommittee. I think what I'm hearing is anti-union bashing at its fullest extent.

Union reps in Social Security are dedicated and hard-working and deeply committed to the Social Security program. Many of them work long hours, unpaid, after work and on weekends, in order to fulfill their representational responsibilities. I frequently work 70 to 80 hours a week doing my job, and I'm not paid for more than 40, and I'm proud of the dedication of the Social Security union representatives that represent the employees of this agency.

Their primary concern is to create the best possible working conditions which benefit both the worker and the public. The public benefits from the unions' and the employees' concern that SSA deliver the best possible service.

We have representatives in 1,300 offices. The Subcommittee has criticized the number of representatives we have. Based on the nature of our structure, we need representatives in all our offices.

We are 72 percent women. Those are the employees of the Social Security Administration. Our reps are approximately the same number. We're talking about a female work force that is about an average age of 42 years old.

We serve the disabled, widows, senior citizens, and the poor, and we do a great job doing that.

Now it's been said by the Chairperson that we go slow, no show, and I think that those kinds of characterizations are unfortunate. I think our union officials weren't going slow or no-showing when the bombing occurred in Oklahoma City. I left the next day with my health and safety chairperson, Howard Eggerman, flew to Oklahoma City at night, and met with the employees the next day, and had one of the most traumatic experiences of my life. Those employees were begging for our assistance and for our effort, and were quite happy that the union understood their concerns.

After that Oklahoma City disaster, we met with the agency and set up a National Partnership Council on Security. Through our efforts in that partnership council, we have set up a number of measures which improve the security of our Social Security offices and minimize threats to not only employees' security in these offices, but also the public that visits the offices. These are the kinds of partnership measures that do not show that the union is going slow or no-showing.

Characterizations that the union is stealing taxpayer money—I don't think the union was stealing taxpayer money when, during the furlough, we had immediate meetings with the agency, the congressionally mandated furlough, we had immediate meetings with the agency to determine how we were going to continue to deliver services to the public while our offices were stripped to virtually no staff.

During the second phase of the furlough, we also had meetings with the agency to try to minimize the problems that our employees were having when they had to work without pay. These are the kinds of actions that are responsible actions that the union has taken to improve services and to ensure that the public continues to get their appropriate services.

We've met with the agency on a partnership level to respond to criticism from Congress about the dysfunctionality of some aspects of the disability program. We've cooperated with the agency and set up a number of work groups. We've even entertained shifting some of the work that's traditionally done by the Federal Government to the States in order to see—and the States have done the same—in order to see if we can come up with better ways of delivering disability services to the public, streamlining the service, and also having a more accurate product. These are responsible actions by a responsible union.

These efforts take time. Our disability program is extremely complex. To radically change the way that operates takes the effort of a number of people—first, thinking out loud, trying to figure out methods that assist the taxpayers, and all this takes time. And that's one of the reasons in our partnership efforts where you see

that there's an escalation in use of time. Things that normally were done formerly by managers and staffers in headquarters in Baltimore, who had no experience with the direct-service delivery aspects of the job, are now being looked at by actual workers.

Our workers, a typical worker, according to the OIG report, spends less than two hours a week, our typical union rep spends less than two hours a week on official time activities. What do they do? They're meeting with management trying to look at how to improve operations in that office. They deal with employee concerns and problems, and by dealing with those kinds of problems, they prevent them from festering out of control. They file occasional grievances. They also are trained by us on how to deal with the agency and provide—they're trained in partnership aspects and how to work cooperatively with the agency to provide better services to the public.

These are not official time abusers. These are people who spend—have full workloads, providing services to the public, and spend a few hours a week dealing with their management trying to solve the problems of the work force. I think the dedicated work of our union officials deserves applause, rather than the kind of criticism that we've been hearing in the last 3 days.

In the rare instances where abuse occurs, I encourage investigating that abuse. When alleged abusive situations have been brought to my attention, we've looked at it and we've taken action. Our local presidents do the same. Union representatives have had their time pulled when evidence showed that they are abusing time, and we'll do that in the future. We don't shy away from our responsibilities under the contract. The contract has a clause which requires management to bring to our attention abuse allegations, and when they have brought those issues to our attention, we've taken action, and intend to continue to take such action.

We've always endorsed efficient time-reporting procedures. In the 1990 contract, there was a union proposal that was placed in the contract which led to the OUTTS system, which, hopefully, will improve the recordkeeping aspect of official time and allow Congress to see that the time that we're using is accurately reported.

There have been comments made by individuals who testified yesterday that the employees are discouraged by the fact that we have union officials who are on 100 percent time and performing no direct services with the public. Well, in actuality, we have about one full-time official for every 360 employees. We see our membership going up while staff is going down. I think the employees are voting with their wallets, that they are in favor of the type of representation we provide.

In this kind of an organization, it requires some professional representation. Our full-time officials, like myself—and I'm a full-time official and, as I said before, work 70 to 80 hours a week representing the union with the agency. I'm on three partnership councils. That takes up great amounts of my time at the national level. We're dealing with rather large issues on how the agency operates with diminished staffing, and I think it's essential that we have some full-time officials in order to fulfill that task.

I'd be glad to respond to some of the other allegations that have been made. I'm sure I'll be asked the question, so I'll start off on

the Christmas leave issue. The Christmas leave issue is a misnomer. Christmas shopping is a phrase that's used with regard to that situation. In private industry the employers frequently provide their workers with a Christmas party. In private industry, employers frequently provide their workers with a Christmas turkey. In private industry, employers frequently provide their employees with a bottle of wine. In Social Security, there are no appropriated funds for any of those activities. The agency in the Boston region was providing the employees, some of the employees in that region, not all the employees, some of the employees in that region with two hours of time off. Some of them went to church. Some of those employees went to see their families. Some of them may have shopped.

But to say that employees in that region are not entitled to a reward for their dedicated services I think is wrong. I think you probably provide your staffs with time off during the Christmas holidays as a reward for their dedicated service to you, and if you don't, you should.

What happened here was not something the union negotiated. This is something that developed over the years that management provided. It's been characterized as union officials going off. No, it wasn't union officials at all; it was employees. The union didn't negotiate the benefit. But when management tried to terminate it, we took our responsibility, which is our responsibility—we are a labor union; when management tries to terminate a benefit, a labor union's job is to fight to maintain that benefit, and that's all we did, and we lost. We went to arbitration and we lost. And that's the story on the Christmas leave issue.

Chairman BUNNING. I think your time has expired about 5 minutes ago.

Mr. SKWIERCZYNSKI. OK. Well, in closing, Congressman, I appreciate the opportunity to present the views of the union at this hearing.

[The prepared statement follows:]

Statement of Witold Skwierczynski, President, National Council of SSA Field Operations Locals, American Federation of Government Employees, AFL–CIO, Chicago, Illinois; and Cochair, National Partnership Council

Mr. Chairman and members of the Subcommittee, my name is Witold Skwierczynski. I am the President of the AFGE National Council of SSA Field Operations Locals (AFGE Council 220). I am also the Co-Chair of the AFGE–SSA National Partnership Council. On behalf of some 50,000 working men and women represented by AFGE at the Social Security Administration, I appreciate the opportunity to testify today before this Subcommittee.

I want you to know that AFGE is committed to providing the Subcommittee a complete and accurate account of both official time practices and partnership activities at SSA. AFGE is proud of its track record of effective and responsible union representation. We are especially proud of the work we have done to improve the delivery of services to the agency's customers. Without official time and partnership, that work would be impossible.

That is why we believe it is important for this Subcommittee—and taxpayers—to understand fully how SSA managers and union representatives are using their time, talent, and resources to make SSA a better agency. In fact, this is part of what led AFGE and SSA to conduct a top-to-bottom, agency-wide evaluation of our partnership in 1997.

Before we turn to the substance of the three Inspector General reports, let me say a few words about AFGE's response to the IG's investigation. The IG reports mention that AFGE initially opposed this investigation of official time and partnership. That is true. We learned that many rank-and-file employees were, quite frankly,

afraid to complete the survey forms used by the IG or submit to interviews. An IG investigation is often focused on alleged employee misconduct and can be the foundation for adverse actions. An IG audit, on the other hand, is generally used to evaluate the effectiveness of agency programs and operations. It is fair to say that an IG investigation is perceived by employees and managers alike as far more threatening and adversarial than the kind of routine audit that the IG conducted here.

The problem was that many SSA employees (and not just union representatives) were having a difficult time distinguishing between the more menacing sort of IG investigation and the more benign audit. It did not help that we uncovered evidence of performance quotas in the IG's office requiring a certain number of investigations, something that we believe has led to overly aggressive investigations in the past.

In addition, we were concerned about four of the questions that the IG proposed to ask in its surveys and questionnaires. These questions, we felt, were inappropriate, confusing, and simply unnecessary. All of these factors contributed to the initial delay in completing the survey forms.

However, once we worked through these issues with the IG, AFGE's National Office sent written instructions to our union representatives urging full cooperation. We advised our representatives to complete the surveys (the IG agreed that employees would not have to answer the four objectionable questions) and to cooperate with the audit interviews. A letter from National President Bobby Harnage explaining AFGE's position in regard to the IG was sent to the Subcommittee Chair back on November 5, 1997. I trust this clarifies our position on this issue.

Let me now turn to the IG reports that are the subject of today's hearing.

PARTNERSHIP ACTIVITIES

In October of 1993, President Clinton issued Executive Order 12871, entitled "Labor-Management Partnerships." This Order ushered in a new era of labor-management relations for the federal government. Federal agencies and labor organizations were challenged to move beyond the hostility and conflict which had defined labor relations for far too many years. The President directed labor and management to forge true working partnerships focused on improving the performance of government and the delivery of services to the American people.

Modeled on the best practices of leading-edge private sector companies like Xerox, Corning Glass, and Saturn, the Executive Order was a true milestone in the history of labor-management relations. For the first time ever, the nation's Chief Executive recognized that there is a meaningful role for federal workers and their unions in the day-to-day operations of the government. And the President also acknowledged that government-wide reform efforts would fail without the participation and support of labor unions. Reinvention, restructuring, reorganizing—give it any label you like—none of these efforts will succeed over the long haul if labor and management maintain an arms length, adversarial relationship. That is why partnership is not about ideology or politics. It's about results.

AFGE and SSA have been working for almost five years to meet the ambitious goals set by the President. Our partnerships emphasize the common ground between labor and management, the stake that both parties have in making SSA successful. Partnership imposes on both AFGE and SSA a shared obligation to seek joint solutions to workplace problems in accordance with the common goal of effective, high-quality public service.

Unfortunately, we believe that many of the IG's recommendations in this area betray a fundamental misunderstanding about partnership and labor management relations.

To begin with, we believe that the IG's recommendation for a "uniform definition of partnership" is particularly unwise. Partnerships are many things, but "uniform" is certainly not one of them. Indeed, we have found that no two partnerships in the federal sector are exactly alike, nor can they be shoe-horned into a once-and-for-all time definition.

The unique nature of partnerships should come as no surprise since they are found in scores of different agencies, each with its own particular mission and its own history of labor-management relations. A definition of partnership that works for a VA hospital in Des Moines, Iowa will not fit the partnership at Tobyhanna Army Depot in Pennsylvania. And the local partnership between AFGE and SSA in Richmond, California is different in many respects from the National-level partnership between AFGE and SSA. Each, however, is a partnership in its own right.

Keep in mind that partnership councils derive their strength—and their unique identity—from the people who serve on them. Councils are made up of union representatives, employees, and managers who work closely together every day. Part-

nerships can vary in interesting and important ways depending on the mission and culture of an agency, the understandings and expectations of the men and women who make up the council, or the level at which the partnership exists. Trying to capture such a rich and varied tapestry through the one, true "uniform" definition of partnership is really a search for fool's gold.

That does not mean partnerships are without identifiable shape or character. Good partnerships have many common elements. Again and again we find that effective partnerships, no matter the agency, are based on trust, mutual respect, open and honest communications, shared responsibility, and top-level commitment from labor and management. But partnership is just a term—a vivid term, to be sure—that has become widely used to describe efforts by labor and management to build constructive, cooperative relationships and to do business in a new way. Different terms have been used in other industries and by other organizations to describe the same kind of relationship.

For example, at Hennipin Steel Works, management and the Steelworkers Union created something they called the "New Work System." The UAW and General Motors formed labor-management "Quality Networks." Well before Executive Order 12871 was signed by President Clinton, AFGE and the Department of Labor dubbed their new working relationship "Employee Involvement and Quality Improvement.'" In none of these cases—and in no workplace or organization we know of—did labor and management try to come up with a uniform definition of their cooperative relationship. It's a little like trying to define a good marriage: a single definition doesn't begin to do justice to the complex, special nature of the institution.

While a precise definition of partnership is neither possible nor desirable, there is no question that SSA and AFGE need to have a common understanding of the goals they want to reach in partnership and how they're going to get there. Coming to terms with the purpose and scope of partnership—rather than defining it in a narrow, prescriptive way—is the approach commonly taken by labor and management in both the private and public sectors when they form any kind of cooperative venture.

The parties will typically develop a joint vision statement or draft a set of broad guiding principles or, as AFGE and SSA have done here, develop a written partnership agreement which sets out the essential elements of their new relationship. This approach has proven far more useful than attempting a single definition under which one would lump the assorted local, regional, and national partnerships typically seen with large employers like SSA.

The IG also missed the mark in its treatment of interest-based bargaining. The IG says that it would "not necessarily" include interest-based bargaining as a partnership activity because "it is a problem-solving process or technique that is used in making group decisions and does not qualify as an activity in and of itself." If there is a meaningful distinction between a partnership "process or technique" and a partnership "activity," it's not at all clear from the report. But that aside, does the IG really want to go on record as saying that interest-based bargaining is not a partnership activity? If so, the IG will stand alone in that flawed judgement.

Interest-based bargaining is a non-adversarial, problem-solving approach to negotiations designed to allow labor and management to bargain more effectively. By focusing on mutual interests, not inflexible positions, participants learn how to craft contract language that all parties accept and support. This approach to bargaining helps labor and management develop a working relationship based on shared goals.

That is precisely why the President's Executive Order on labor-management partnerships directed federal agencies to provide training in "consensual methods of dispute resolution, such as alternative dispute resolution techniques and interest based bargaining approaches." EO 12871, Section 2(c). And that is why agencies with labor-management responsibilities like the Federal Mediation and Conciliation Service (FMCS) and the Federal Labor Relations Authority (FLRA) provide extensive training in interest-based bargaining as part of an overall strategy to promote and develop partnerships across government.

The IG is also critical of the "diverse grouping of activities" that SSA and AFGE consider partnership activities, a diversity attributed to the lack of a definition for partnership. We do not agree.

The Executive Order requires agencies to "involve employees and their union representatives as full partners to identify problems and craft solutions to better serve the agency's customers and mission." Meeting this ambitious goal should lead, as it has with SSA and AFGE, to a wide range of activities properly designated as partnership activities. This is all part of doing business in a new way, where labor and management spend less time handling grievances and more time trying to improve quality, efficiency, and customer service.

Does that mean some blurring of the sharp lines that once divided purely representational activities from agency business? Sure. But that is not surprising when an agency is involving the union—and employees designated by the union—in its day-to-day operations and planning as never before. Insisting on rigid and formal definitions misses both the letter and the spirit of the Executive Order.

The IG also reports that it "could not conclude that a connection existed between partnership and the reduction in the number of grievances and unfair labor practice filings." Of all the conclusions reached by the IG, this is the most troubling because it exhibits an almost wilful disregard of the facts. And what are some of the important facts?

FACT: In the seven years prior to the Executive Order, unfair labor practice charges in the federal sector rose steadily each year from around 5200 in 1986 to almost 9000 in 1992. The Executive Order was signed in October 1993. In 1994, the first full year of implementation, ULPs dropped 13%. In 1995, the decline was even sharper, falling 17%. All in all, there has been a 39% reduction government-wide in the filing of ULPs since 1993.

FACT: 76% of the respondents to a government-wide survey of labor and management conducted by the National Partnership Council in 1996 reported that partnership had resulted in a reduction in labor-management litigation. Almost exactly the same percentage reported a reduction in 1995.

FACT: In the Council's 1997 government-wide survey of labor and management, conducted by Professors Merrick Masters and Robert Albright, only 35.7% of the respondents described the past climate between labor and management as "cooperative." When asked to characterize the labor relations climate *today*, almost twice as many (67.4%) said that it was cooperative. Building on these findings, Masters and Albright found a definitive correlation between an improved labor relations climate and reduced grievance rates. They also found a correlation between harmonious labor relations and improvements in productivity, product quality, and customer service.

There are many examples in agencies throughout the government where ULPs and grievances were once filed with depressing regularity but where litigation and conflict dropped dramatically once the parties developed a working partnership. There is a strong connection between cooperative labor management relations and the kind of reduction in ULPs, grievances, and other forms of labor-management conflict that we've achieved at SSA. This connection is supported by hard evidence, hard-earned experience, and plain old common sense.

OFFICIAL TIME

As this Committee is well aware, Congress concluded two decades ago that the public interest is served when federal workers, acting through labor unions they elect democratically, have the right to bargain with management over their conditions of employment. The Federal Sector Labor-Management Relations Statute, passed in 1978, expressly states that the union's role as a workplace representative "contributes to the effective conduct of public business" and "facilitates and encourages the amicable settlement of disputes." This is as true today as it was 20 years ago.

This Subcommittee also knows that a federal sector labor organization acts as the exclusive representative for all employees in the bargaining unit, whether or not those employees join the union. For example, AFGE is the exclusive representative for all 50,000 bargaining unit employees at SSA, and we are responsible for representing their interests without regard to membership in AFGE. However, the statute prohibits AFGE and other federal employee unions from charging fees to non-members for the services we are obligated by law to provide.

In other words, non-members get a free ride; they contribute not a dime to the union yet they benefit directly from the hard-fought bargaining gains and skilled representation that the union must provide to members and non-members equally. This differs significantly from the labor-management relations system in the private sector. Unlike federal sector unions, unions in the private sector can and do negotiate contracts that require non-members to contribute a fair-share payment or fee to the union for the services and representation they receive.

In recognition of the representational burdens placed on federal employee unions by this free-rider system, Congress allowed labor to negotiate with management for official time. This is not a give-away nor is it a taxpayer "subsidy." Rather, it is a fair trade-off for the sweeping representational obligations imposed on unions by law.

Official time has been commonplace in the federal sector since the early 1960s. Under the past eight Presidents, four of them Republican, official time has been al-

lowed for union representatives either by Executive Order or statute. Since the Civil Service Reform Act was enacted in 1978, official time is authorized for such activities as collective bargaining, conducting and receiving training, handling employee grievances, and working with management to improve the delivery of services. Congress recognized that these activities contribute to a productive and stable working environment, and that agencies derive substantial benefits from the union's use of official time. That is why union representatives are considered to be performing the work of the agency when they are authorized to use official time.

Official time can be used *only* for those purposes permitted by law. Moreover, labor and management must negotiate the amount of official time that can be used by union representatives, and that amount must be "reasonable, necessary, and in the public interest." 5 U.S.C. Section 7131(d)(2). Union representatives are also prohibited from using official time for any internal union business. This means that representatives cannot use official time to organize workers, solicit new members, campaign for office, or conduct union elections. We are also forbidden to use official time for partisan political activities.

Official time is not unique to the federal government. In testimony to this Subcommittee in June 1996, the GAO reported that 7 of the 10 private sector contracts it reviewed provided for "company employees, acting as union representatives, to perform certain union functions in addition to their company duties, at the expense of the employer." GAO also reviewed BNA's Basic Patterns of Union Contracts and testified that "over 50% of the 400 labor contracts guaranteed pay" to employees engaged in representational activity on company time.

Private industry has known for years that effective working relations between labor and management makes companies more competitive and improves the bottom line. The same is true in the federal sector. In an era of downsizing and tight budgets, it is essential for labor and management to develop a stable and productive working relationship. Official time is a tool that makes such a relationship possible.

With the growth of labor-management partnership, the nature of official time use has changed dramatically. At SSA, AFGE union representatives spend more time than ever before working side-by-side with management to help redesign antiquated work systems, solve workplace problems, and improve the delivery of customer service. Official time has become an essential mechanism for creating an agency that works better, smarter, and more effectively for the American taxpayer. Here are just a few examples of what I mean:

AFGE and SSA worked together to reengineer the agency's toll-free customer service line. As you know, this is the world's most heavily-used 800 number. Our efforts have paid off for the taxpayer as the SSA toll-free line was rated the best in the world by Dalbar Financial Services, the largest financial news publisher in North America. In topping Dalbar's rankings, SSA beat out such top-flight companies as Federal Express, LL Bean, Disney, and Nordstrom.

A partnership team in Joplin, Missouri developed a "one-stop-shopping" process for handling disability complaints. Together, SSA and AFGE reduced the number of interview steps, cut the number of employees involved in the interview, and cut the time it takes to schedule an appointment from 15 days down to one.

AFGE and SSA jointly developed something called the Integrated Service Project. This initiative was designed to provide assistance to field offices when service delivery is affected by natural disaster, workload increases, or technology changes. As part of this effort we established a special work unit at the Birmingham PSC to handle retirement, survivor, disability, and health insurance claims. This unit was also trained to help with continuing disability reviews and other post-entitlement work. We are looking at other ways to streamline field office and PSC workloads.

AFGE and SSA continue to work in partnership on the Disability Process Redesign Team (DPRT). This is a long-term partnership effort which began in 1994. Our objective is to improve quality and productivity, reduce the time it takes to process disability claims, and cut costs. At present there are eight major initiatives at various stages of development but we have already reduced disability backlogs and moved headquarters staff into direct service positions.

With the growth of partnership and a more productive relationship between SSA and AFGE, we are saving millions of taxpayer dollars once spent on litigation and third-party appeals. Arbitration cases have dropped 32% from 488 in 1993 to 331 in 1996; unfair labor practice charges fell 56%, from 382 in 1993 to 168 in 1996; and grievances dropped 48% from a high of 465 in 1994 to 244 in 1996. The reduction in ULPs alone is saving SSA millions of dollars every year.

Finally, AFGE and SSA are keeping their eyes on the prize. Litigation and labor-management conflict have fallen dramatically since 1993, while the amount of time spent by AFGE helping to improve the operations of SSA is at an all-time high. Through our Evaluation of Partnership, we found that the number of agreements

negotiated by AFGE and SSA that address work process and customer service is up almost 40% since 1993. Indeed, we discovered that more time is spent by AFGE and SSA dealing with customer service than any other single issue. In total, SSA and AFGE are working on over *1,500* separate partnership initiatives and projects at all levels of the agency to create an agency that works better and costs less.

There is no question that front-line involvement by AFGE union representatives is paying big dividends to SSA's customers in terms of better service and real cost savings. Gains in quality, productivity, and efficiency—achievements being duplicated by labor and management all across government—simply would not have been possible without the reasonable and judicious use of official time.

Like other unionized federal agencies, SSA and AFGE have negotiated a collective bargaining agreement that sets out basic rules for official time. The contract covers issues like the amount of time authorized for union representatives and the process for handling official time requests.

Is this a perfect system? Of course not. AFGE has represented employees at the Social Security Administration for over 30 years and we are continually working with SSA to refine and improve all aspects of our working relationship. Official time procedures are no exception. But one thing I can say with confidence is that the system we have negotiated fairly and effectively balances the statutory representational obligations of the union with the work requirements of SSA and its managers.

The IG has made a number of specific recommendations on official time. Some make sense, others do not. I'd like to address each of the IG's recommendations in detail:

Recommendation 1: Maintain Accurate, Current Lists of Union Representatives

We agree completely with the IG that the agency should have accurate and up-to-date lists of AFGE union representatives. In fact, our collective bargaining agreement with SSA obligates AFGE to provide such information to the agency. We have lived up to our obligations in the past and we will continue to do so in the future. We will be happy to work with the agency to ensure that the written notifications provided by AFGE reach the managers who need such information.

Recommendation 2: Improve Management Oversight To Help Determine Whether Official Time Is Used Appropriately

We agree that union representatives should live up to the arrangements we have negotiated with SSA, and should complete the necessary forms when requesting official time. AFGE and SSA believe that these forms, which use official time codes and sub-codes or provide for a general description of the nature of the representational activity, provide all the information that managers need to determine whether or not to approve a request for official time. The procedures that we have negotiated protect the union's right to engage in representational activities free from excessive interference yet meet the agency's need to effectively and efficiently manage its resources.

These procedures also safeguard the statutory rights of employees. When the union requests official time to meet with an employee to discuss a workplace issue, let's say a disciplinary situation, their conversation and the employee's identity is confidential. The FLRA has ruled that such conversations constitute protected activity under the Labor-Management Relations Statute, and that employees must be free to make full and frank disclosures to their representatives. *See Long Beach Naval Shipyard and FEMTC*, 44 FLRA 1021 (1992); *Department of Treasury, Customs Service and NTEU*, 38 FLRA 1300 (1991). This important right is compromised by the kind of excessive monitoring of official time suggested by the IG.

More stringent reporting and monitoring requirements are unnecessary and unreasonable. AFGE and SSA have battled over this issue in the past and neither party wants to reopen those wounds. We have settled on a procedure that is not only fair to managers and employees, but mindful of the responsibility we both have to the taxpayer.

Recommendation 3: Monitor The Coding Of Representational Activity To Ensure That Contractual Limits on Official Time Are Not Exceeded

We agree. AFGE and SSA have negotiated limits on the amount of official time that can be used by union representatives depending on where they work and what position they hold with the union. If a representative exceeds a contractual cap on time, then no more time should be authorized. AFGE will live up to the agreements we've made, it's as simple as that. We also expect that the agency's new automated Official Time Tracking System (OUTTS) will help both parties ensure that contractual limits are not exceeded.

Recommendation 4: Improve Procedures To Deal with Allegations of Official Time Abuse

This is one we just don't get. The IG has offered absolutely no evidence of abuse. What we have in place of facts is an assertion from the IG that "some managers suspected abuse of official time." Well, some Americans suspect that Oswald didn't act alone. Others suspect that accounts of alien abductions are true. We trust this Subcommittee is more interested in facts than vague notions or unreported suspicions.

Article 30, Section 3 of the parties' collective bargaining agreement provides a clear procedure to deal with allegations of official time abuse. AFGE agreed to this article and we will be happy to abide by its requirements. That's a fact. The union will promptly deal with any allegations that we receive. We have no interest in letting a few renegade bad actors soil the good reputations of all the hard-working, responsible union representatives in SSA. That's another fact.

Finally, there is no evidence that the current mechanism for handling allegations of abuse is failing in any way. If there is evidence of abuse, all that a manager has to do is report it rather than silently harbor his or her "suspicions." I can promise you that AFGE and SSA will deal with the allegations promptly and decisively. And if you have any evidence of official time problems, Mr. Chairman, AFGE would be happy to work with you to get those problems resolved.

Recommendations 5–9

We can agree to work with SSA on all of these recommendations.

Recommendation 10: Evaluate The Benefits And Disadvantages Of Official Time

This recommendation is completely unnecessary. Official time is not some new foreign concept foisted on the government by President Clinton. The right of unions to use official time to fulfill statutory responsibilities is well into its fourth decade. As far back as 1978, Congress strongly affirmed that federal employee unions and collective bargaining are in the public interest. The calculation of "costs and benefits" that the IG recommends has already been done under the past eight presidents and by scores of Congressional legislators since the early 1960s.

In any case, official time is already subjected to regular and rigorous cost-benefit analysis. Remember, labor and management must *negotiate* for official time. The law does not entitle a union representative to use official time without regard to the agency's needs and the requirements of the agency's work. The amount, the allocation, and the scheduling of official time are all considered against a tough standard: does it interfere with the accomplishment of the agency's work? If it does, the law is clear that the agency's work will take precedence. In this environment, the kind of cost-benefit analysis recommended by the IG is superfluous.

CONCLUSION

I began my statement today, Mr. Chairman, by describing how proud I am of AFGE's commitment to work with SSA every day to deliver better service to the agency's customers. We are convinced that the close working partnership we have forged with SSA has brought about real gains for the millions of citizens who lives are affected by the work we do.

That is why we are so disappointed by the vicious anti-union rhetoric that preceded AFGE's appearance today. Your overheated statement to the press contains so many distortions and exaggerations that we wonder why you bothered to hold a hearing at all. To take only the most egregious example, your chart on "union activity" ends in 1996. You conveniently left off the figures for 1997 which show that official time expenses at SSA are actually going *down*, last year by nearly 20%. In true Alice-in-Wonderland fashion, you have declared a verdict long before the case was heard.

That is a shame, Mr. Chairman. It is a shame that anti-union bias has left you blind to all that AFGE has done at SSA to build an agency that the American people can be proud of. It is a shame that you refuse to acknowledge all that is right about union representatives—almost all of them volunteers—who serve their government and the public with honor and pride. And it is a shame, Mr. Chairman, that you have chosen to ignore the thousands of managers, employees, and union representatives at SSA who are committed to finding new and more productive ways of doing business. When the lights are off and these hearings are over, you can rest assured that AFGE and SSA will go back to the difficult yet critical task of building a lasting and successful partnership.

Chairman BUNNING. Well, we're glad to ask you some questions about it.

Do you support union officials threatening anybody? Their managers?

Mr. SKWIERCZYNSKI. Threatening anybody? Of course not. I have no indication that——

Chairman BUNNING. Do you take action when you find it, as a union?

Mr. SKWIERCZYNSKI. Of course I would take action if a union official threatened another person.

Chairman BUNNING. I see. Do you? Or did you?

Mr. SKWIERCZYNSKI. The situation in Texas, in Waco, we OK a dispute. Yes, certainly, when I got wind of that situation, I called the local president, and the local president was present when the incident occurred, and she disputed what your witness testified to yesterday. I wasn't there. So I can't——

Chairman BUNNING. You're accusing the witness of perjury then?

Mr. SKWIERCZYNSKI. No. I wasn't there, Congressman. I'm saying that the local president informed me that——

Chairman BUNNING. She's accusing the witness of perjury? In other words, we can call her——

Mr. SKWIERCZYNSKI. Well, she informed me before the testimony, and she didn't say anything about perjury.

Chairman BUNNING. I'm going to let Mr. Christensen inquire. Oh, he's not here? Yes, he is. Go ahead.

Mr. CHRISTENSEN. Mr. Skwierczynski——

Mr. SKWIERCZYNSKI. Skwierczynski.

Mr. CHRISTENSEN. Skwierczynski; is that right?

You know, I find it interesting how you continue to defend the idea of Christmas shopping with your union activities. I mean, it's like maybe my colleagues and I should allow our staffs to go out at the taxpayers' expense and Christmas shop on the taxpayers' time. You know, what would be your definition of reasonable, necessary, and in the public interest, in terms of activities? Would working at Camden Yards be reasonable and necessary? Would campaign activities be reasonable and necessary? How do you justify any of those activities to the American taxpayer in light of the fact that the Social Security Administration is to serve the American taxpayer, not to serve the employees?

Mr. SKWIERCZYNSKI. Well, I guess there's three parts to that. The first part, with regard to the Christmas leave, I'll remind you that President Reagan gave Federal employees eight hours on a few occasions off on Christmas Eve. So it's not unprecedented that even our Presidents provide time off for dedicated public servants around the Christmas holidays. So I don't think it's unusual that managers in a region would provide a similar kind of benefit that many of our Presidents—Reagan, Nixon, Johnson—many of our Presidents through history have provided around the holiday season time off for public servants in appreciation for their dedicated service throughout the year. And that's what they were doing in the Boston region.

Now the second part of your question about union officials, allegations that union officials work in Camden Yards, if that is correct, it's reprehensible conduct, and I would oppose it. I would favor—you know, if I was in charge of that situation for the union, which I'm not, I would engage in an investigation of that kind of conduct.

And the third question I believe was another abusive situation. I would do the same. I'm not in favor of abuse at all.

Mr. CHRISTENSEN. But you are in favor of the Christmas shopping? You think that was a legitimate time-off excuse that the American taxpayer should be responsible for?

Mr. SKWIERCZYNSKI. As I testified, it was given a name of Christmas shopping, but the intent of it was to reward employees for dedicated service, just as Presidents have consistently done through the years.

Mr. CHRISTENSEN. Well, reclaiming my time, rewarding dedicated Social Security workers to go to church as time off, that is a reasonable use of taxpayers' dollars?

Mr. SKWIERCZYNSKI. They were given two hours off as a reward for their services. They could do whatever they want with the time.

Mr. CHRISTENSEN. But you consider that a reasonable time off——

Mr. SKWIERCZYNSKI. Yes.

Mr. CHRISTENSEN [continuing]. Expenditure, to go to church?

Mr. SKWIERCZYNSKI. Two hours to do whatever they wished as a reward for dedicated service, I think that's very reasonable. If you're dealing with GS–5 clericals, you're talking about $20 in terms of salary there. I think that's a reasonable—an equivalent to the kind of gifts in the private sector that private sector workers provide for their employees.

Mr. CHRISTENSEN. Well, there's a difference between the taxpayers' dollars and private sector work. When you're working with the taxpayers' dollars, we try to be more frugal and more careful in how we expend those dollars, in light of the fact that the Social Security Trust Fund is continually looking at a shortfall.

One of the things that I think this Subcommittee ought to do, Mr. Chairman, is add up the amount of money that has been lost in this area and maybe come up with an amendment that could be put together for the appropriators, and we could save the American taxpayers some money in this area. Or put an amendment on that would take the money from this particular area, from the appropriations, and add back into the Trust Fund. Because I'm hearing from this gentleman that this is a legitimate use of the taxpayers' dollars, and in 1998 we're still going to see this kind of waste, fraud, and abuse in the area. So I'd like to suggest to the Chairman that we try to correct it this year yet somehow.

Chairman BUNNING. We tried to correct it 2 years ago, and were able to see that the money wasn't spent out of the Trust Fund, but a general fund appropriation replacing the Trust Fund money, so that it wouldn't be used, and Representative Porter assisted us in that.

Mr. CHRISTENSEN. Thank you.

Chairman BUNNING. OK.

Mr. Hayworth.

Mr. HAYWORTH. I thank the Chairman. Thank you, sir, for coming to testify this morning.

You've offered a rather outspoken and unapologetic assessment of your perception that your workers have done exemplary jobs with regard to servicing taxpayers through the Social Security Administration. If that is the case, sir, why did the union tell many managers, when they received inquiries from the Office of the Inspector General, that they should not answer the survey or the questions of the Inspector General?

Mr. SKWIERCZYNSKI. We did cooperate with the Inspector General on the initial distribution of the audit——

Mr. HAYWORTH. Distributing the audit is one thing. I'm asking specifically, why the union instructed its membership not to answer the questions?

Mr. SKWIERCZYNSKI. Well, we instructed them to answer the questions. Originally, we instructed them not to answer the questions—we advised them; we didn't instruct them—we advised them not to answer the questions. And a few months later, we advised them to answer the questions.

Now the reason we advised them not to answer the questions originally was because the Inspector General had decided that, rather than meeting with our national office—and our national president is here today, Bobby Harnage—rather than meeting with his predecessor, John Sturdivant, that they decided that they would go to local Social Security offices and send draft—and discuss draft questions on the questionnaire with local union officials.

And we insisted—Mr. Sturdivant wrote Mr. Williams, the IG, and said, you know, that's not proper procedure; he should be dealing with us. At the same time, we discovered that the OIG had established quotas for disciplining and——

Mr. HAYWORTH. If you'd yield, do you——

Mr. SKWIERCZYNSKI [continuing]. Finding fraudulent activity——

Mr. HAYWORTH. I want to go back to the verbiage you characterized from the national president. You told the Inspector General and the other officers in the Social Security Administration that it's not proper procedure to directly inquire of managers, that they should deal with you first with basic questions on a basic responsibility of duty, that their first allegiance is to the union, instead of the United States of America's Government, in whom themselves—with whom they find themselves employed?

Mr. SKWIERCZYNSKI. Well, we didn't tell managers to do anything. I mean, if I told a manager to do something, that's like——

Mr. HAYWORTH. No, no, what I said was——

Mr. SKWIERCZYNSKI. That doesn't mean he's going to do anything. What I was saying is that we instructed our reps originally not to cooperate with the—not to answer the questions. Later on, after Mr. Sturdivant was able to meet with Mr. Williams and clarify some of the aspects of the questionnaire that was troubling him, we sent instructions to our union reps to cooperate, and they did.

Mr. HAYWORTH. When you were hired by the SSA, what job were you hired to do, sir?

Mr. SKWIERCZYNSKI. I'm sorry; I was a claims rep.

Mr. HAYWORTH. When was the last time you did that job?

Mr. SKWIERCZYNSKI. In 1983.

Mr. HAYWORTH. 1983.

Mr. SKWIERCZYNSKI. I've been president of the national council since that time.

Mr HAYWORTH. And that was how many years ago?

Mr. SKWIERCZYNSKI. Fifteen.

Mr. HAYWORTH. So that was the last time you answered an 800 number call?

Mr. SKWIERCZYNSKI. We didn't have an 800 number then, sir.

Mr. HAYWORTH. OK. When was the last time you took a claim?

Mr. SKWIERCZYNSKI. Around that time—1982.

Mr. HAYWORTH. And authorized a benefit?

Mr. SKWIERCZYNSKI. 1982.

Mr. HAYWORTH. OK. So even in the midst dramatic, traumatic situations such as the tragedy at Oklahoma City, rather than stepping in to immediately help with clients and deal with workloads, your primary responsibility was to the union.

Mr. SKWIERCZYNSKI. Sir, I'm a national president of a council that represents 28,000 people.

Mr. HAYWORTH. Are you also employed by the Social Security Administration?

Mr. SKWIERCZYNSKI. Yes, I am, and I work 70 to 80 hours a week, sir.

Mr. HAYWORTH. And in a situation of severe trauma, where records had to be restored, where lines of communication had to be opened, where you were hired to do a job to help advance the role of the Government, that was secondary to your role with the union, even in the national trauma such as Oklahoma City.

Mr. SKWIERCZYNSKI. My role during the national trauma of Oklahoma City was to provide counsel and sustenance to the employees who were the survivors of that tragedy, and to ensure that those deaths of 16 Social Security employees would not occur again. That was my role, and I think that that is a honorable role.

Mr. HAYWORTH. Well, I think it is honorable, too, to try and deal with trauma. The question becomes, even in the midst of that, is the responsibility not then first to the Federal Government and those employees and the legacy of the work they would do on behalf of the American taxpayers? It's just very—here.

Mr. SKWIERCZYNSKI. That is my responsibility, and I believe I fulfilled it. I spent countless hours counseling those employees and attempting to ensure that that type of tragedy does not occur again, and I think the employees appreciate that.

Mr. HAYWORTH. One final question, sir. Since you're proud of the 70 to 80 hours you work a week, in your words, would you be willing to submit your personal financial statements to our Subcommittee and for our record?

Mr. SKWIERCZYNSKI. I don't see a need for that. Why are you asking for my financial statements?

Mr. HAYWORTH. Well, I just, again——

Mr. SKWIERCZYNSKI. I'll tell you what I make. I'm a GS–11, Step 10. I've been a Social Security employee for 25 years. The union gives me a salary of $400 a month. That's it, man. I don't get any overtime. You know, I'm not a rich guy.

Mr. HAYWORTH. And with the union activities, there's no other compensation, nor do you pursue any other lines of work.

Mr. SKWIERCZYNSKI. I have no other job.

Mr. HAYWORTH. OK; thank you, sir.

Chairman BUNNING. Kenny.

Mr. HULSHOF. Thank you, Mr. Chairman.

Sir, do you believe this is a political witch hunt?

Mr. SKWIERCZYNSKI. Yes, I do. It's very—and I will expand on that. You have in your hearing focus——

Mr. HULSHOF. Do you think—excuse me. Do you think—are you——

Mr. SKWIERCZYNSKI [continuing]. It says you're focusing on non-Agency activities at SSA. I have heard nothing except the union being addressed at this hearing.

Mr. HULSHOF. Have you actually read the Inspector General's report?

Mr. SKWIERCZYNSKI. Yes, I have.

Mr. HULSHOF. Cover-to-cover?

Mr. SKWIERCZYNSKI. Yes, I have.

Mr. HULSHOF. So then you know that on page 3 it talks about the official time activities at a cost of $14.7 million and suspected—suspected—I'm not saying it actually occurred, but suspected abuse of 25 percent. I mean what's a couple of——

Mr. SKWIERCZYNSKI. I read the report. Yes, I read that.

Mr. HULSHOF. What's a couple of million, right, sir?

Mr. SKWIERCZYNSKI. No; that's obviously not what I think.

Mr. HULSHOF. Is it wrong for the American taxpayer to know what typical union activities and what portion of a representative's official time is spent on these activities? Do you think the American public has a right to know or not?

Mr. SKWIERCZYNSKI. I didn't say the American public didn't have a right to know.

Mr. HULSHOF. Well, I'm asking you the question now. Do you think that the American public has a right to know? Yes or no.

Mr. SKWIERCZYNSKI. I think the American public has the right to know about how all their tax dollars are spent. Yes, I do.

Mr. HULSHOF. Is it just coincidence that we found yesterday three representatives that were here who testified to specific abuses? Did we just happen to find those rare instances of abuse?

Mr. SKWIERCZYNSKI. Yes. I think you found rare instances of alleged abuse, and in reading the—I wasn't here for the hearings—but in reading and hearing reports about the testimony, it appeared it wasn't specific. It's very hard for me to pin down these kinds of allegations that aren't—where no names are mentioned and no specific situations are mentioned.

Mr. HULSHOF. Perhaps the reason——

Mr. SKWIERCZYNSKI. These are general allegations, and some of them by the union dissident were things that he heard in the office. He didn't see anyone's official time reports. He just heard something in the office, and certainly I'd like to investigate that, but, you know, I have my skepticism about the validity of those allegations.

Mr. HULSHOF. So then you're saying that based on—were you here, by the way, physically present to the witnesses?

Mr. SKWIERCZYNSKI. No.

Mr. HULSHOF. OK.

Mr. SKWIERCZYNSKI. I was involved in a 3-day health and safety conference, attempting to deal with severe health and safety problems that occur in Social Security offices. For example——

Mr. HULSHOF. Fine. I'm not questioning where you were, sir, but I'm saying—and be careful with this——

Mr. SKWIERCZYNSKI. Well, you asked me if I was here.

Mr. HULSHOF. Excuse me. This is my time. My question is—and be careful, as you are under oath—you aren't suggesting that witnesses who've come before this hearing in previous days were committing perjury.

Mr. SKWIERCZYNSKI. My testimony was that their allegations were general, and I could not discern whether they were valid or not just on the basis of their allegations. And, again, I wasn't here; it's all what I read and heard about them.

Mr. HULSHOF. One of the allegations was from a gentleman, that he was seeking higher office in the union, running on a reform platform, and another representative came to him and said, "If you would withdraw your candidacy, we can assure you that you will have 100 percent official time. You will never have to answer an 800 number or provide a benefit or take another claim." Do you think that's appropriate?

Mr. SKWIERCZYNSKI. No, it isn't, if that occurred. I don't know that it occurred.

Mr. HULSHOF. You suggest, sir, that in private industry—that if you are in private industry you would get a Christmas turkey or that you would get time off for Christmas shopping. The fact is, sir, you are not in private industry, are you?

Mr. SKWIERCZYNSKI. No, but I don't think our employees should be treated as stepchildren just because they're Federal employees. I think our employees do fine work in Social Security.

Mr. HULSHOF. So do we, for the most part. But in opposition to your position that you think that this is simply a political witch hunt, it is our duty under the Constitution to make sure that we have oversight over inappropriate uses of political money—of taxpayer money. And we have a report from the Inspector General, who has no ax to grind, that suggests up to 25 percent abuse, $14.7 million of official time. I think it's our duty to at least ask questions, and I'm sorry that you think that this is some political witch hunt to further some political advantage.

The fact is—and let me ask you this question. Is it just the AFGE employees through SSA that get this specific time around Christmas, or do other employees, like IRS and HHS? Do you happen to know that answer?

Mr. SKWIERCZYNSKI. I have no knowledge of that, other than that when the President provides Federal workers with time, it's across the board.

Mr. HULSHOF. The fact is that during the challenge in the matter of the Social Security Administration in the Boston region and Local 1164 of AFGE, it was the position of the union that it was, quote, "vindictive and a reprisal for the union's action challenging the termination in one office"—talking about Christmas leave. That was the union's official position, was it not? That it was vindictive to terminate this practice of a 20-year duration that promotes em-

ployee morale—vindictive and a reprisal to take away Christmas shopping time from AFGE employees at SSA.

Mr. SKWIERCZYNSKI. The reason that language is used is because the Agency selected one office in which to remove the benefit, rather than all the offices, so we felt that because they targeted one office that they did it in a vindictive fashion.

Mr. HULSHOF. My time has expired. Thank you, Mr. Chairman.

Chairman BUNNING. Mr. Collins will inquire.

Mr. COLLINS. Thank you, Mr. Chairman.

Sir, I'm not even going to try to pronounce your name.

Mr. SKWIERCZYNSKI. Skwierczynski.

Mr. COLLINS. I'll call you Mr. President, since you're president of the union.

Mr. SKWIERCZYNSKI. That's good. [Laughter.] I like it.

Mr. COLLINS. That ought to make you feel good. You probably were listening when I made my remarks to Mr. Barnes——

Mr. SKWIERCZYNSKI. Yes; I was.

Mr. COLLINS [continuing]. Concerning my operation and the industry that I work in and how we have a slogan for slack and negligence. In my own operation, which is a small business, just a family-run business, there's a sign that sits on the front of my desk that says, "The buck stops here." I believe that was a slogan by a former President of the United States, Harry S Truman. Sir, to me—Mr. President—the buck stops with the Social Security Administration and the executive branch of this Government.

The reports show, and even some of your own comments reflect, that there's a lot of slack, a lot of negligence, a lot of weakness within the Social Security Administration. I believe that labor organized early in this century due to the abuse of management. Is that not true?

Mr. SKWIERCZYNSKI. Yes.

Mr. COLLINS. You know, as I listen to you talk about how you are continuously adding to your ranks and organizing, it appears that you're organizing to abuse—to abuse the system and to take advantage of management that is slack, negligent, and weak. The problem in the area of the activities of both the union and management is costing each and every working person in this country part of their hard-earned money. That includes the employees of the Social Security Administration.

I respectfully request that you turn your defensive attitude in defending the union and that you aggressively work and cooperate with management in servicing the needs of the people of this country, whether that be through a partnership or team work or whatever you want to call it is fine. Partnerships work and teams work between organized labor and management in the private sector. It will work in this area, too, but the defensive position and attitude that you have, the weakness that they possess, will never allow it to work.

Thank you for coming today.

Chairman BUNNING. Mr. Weller. He's not here? Mr. Portman.

Mr. PORTMAN. Thank you, Mr. Chairman, and Mr. Skwierczynski, thank you for being here today. We've heard a lot of troubling information in the last 2 days of hearings, and you may or may not have been here yesterday when I objected to one

of your senior officials calling this political theater. Today we've elevated it to a political witch hunt.

Mr. SKWIERCZYNSKI. That wasn't my word.

Mr. PORTMAN. Well, you were asked by Mr. Hulshof whether you thought this was a political witch hunt, and I think the witness nodded.

Mr. SKWIERCZYNSKI. Yes; I think it is, but it wasn't my word. That's all I'm saying.

Mr. PORTMAN. I'm very troubled by that because, although I don't see it in my colleagues from the other side of the aisle here, the approach is clearly bipartisan. This is a bipartisan Subcommittee. We're responding to a report from the Inspector General. Let's just go over those data again—and you said you've read it cover-to-cover, and I'm glad you have. I hope some of your other colleagues have, because there are some serious allegations there. We've had a series of findings from the IG.

The background is that when GAO looked at union activity in 1993, they found about $6 million of taxpayer money being spent per year. The IG looked at it in 1996. They found $14.7 million, which is a 145 percent increase.

Mr. SKWIERCZYNSKI. Yes.

Mr. PORTMAN. The work force, of course, increased a little less than 1 percent during that period, so basically a flat work force; an 81 percent increase in the number of full-time union reps during that time period—again, a flat work force; and a 53 percent increase in the number of union related hours. Then, in that context, the IG findings come to us saying that they can't verify—the IG cannot verify the hours, cost, dedicated union activities because it's just not out there; the SSA information is unreliable.

Mr. Hulshof talked about a specific reference to the fact that there was a considerable amount—maybe a quarter of the full-time union activity work was not really union activity. One data piece that I thought was particularly troubling was that 25 percent of the managers themselves suspect abuse of time on union activities, and a number of them—20 percent of them—said they didn't do anything about it. Why? Because they said nobody cared.

So, you may view this as a political witch hunt or political theater, but I think it's irresponsible for us not to get into this issue and to begin to get at the truth and put in place accountability measures that work. A quarter of the SSA managers suspect abuse. The supervisors couldn't provide documentation to prove who union reps were and what work was union related. There were inadequate controls to ensure the authorized number of union reps were not exceeded, and so on and so forth.

You said earlier you're proud of the dedication of the SSA employees. I think the SSA employees should be commended for their work, for their hours that they put in, and that we owe it to them to get at this abuse, to get at the problems, to get at what—as I said yesterday—what is tarring the whole work force that you represent.

The issue is accountability. The issue is—you mentioned recordkeeping aspects could be somewhat improved. I saw a glimmer of hope in your testimony when you said that, but what I would say to you today is that, having heard the sworn testimony from SSA

employees yesterday, having read the IG's report, there's something here. You may view it as a witch hunt, but I think it's absolutely our responsibility and our prerogative to review these issues and facts and to begin to address them, and in a constructive way change them.

Yesterday we heard sworn testimony that despite all the provisions that may be in place to keep such activities from happening, they are occurring: organizing workers, soliciting new members, campaigning for office, engaging in partisan political activities. Mr. Reusing stated, for example, yesterday, that official time had been used for political activities. He said he had been at training meetings that have been used to rally stewards to support political candidates; union dues had been used for political contributions. He also cited examples of abuse of official time. We also heard at the same time about long waiting lines, phones not being answered, backlogs, and so on, and that puts the recipients, our seniors, at the short end of the stick.

I guess I have two questions for you. First, could you give us some specific recommendations, personal recommendations, as to what we should be doing about these abuses and how we should put accountability measures in place? And, second, has AFGE ever disciplined any of its members for engaging in such activities over the past, let's say, 5 years?

Mr. SKWIERCZYNSKI. Well, certainly we have abuse provisions in place in the contract which provide for, if the Agency suspects abuse, that they communicate with either the local president or the council president. I'm the council president, and it's been a rare instance that any situations of abuse have been brought to my attention by SSA management. Our local presidents have had such situations brought to their attention. I know in the local in Baltimore I'm aware of a situation where somebody's time was pulled for inappropriate usage. It's happened elsewhere, also.

I, myself, have had such rare instances where they've been brought to my attention. When I looked into it, we alleviated the situation without pulling anyone's time. And some of the allegations we felt were inappropriate allegations, so, you know, that's——

Mr. CHRISTENSEN. Would the gentleman yield for just a minute? Would you tell the Subcommittee what that specific abuse was that you said you corrected?

Mr. SKWIERCZYNSKI. It had to do with the information that was reported on the reporting form, whereby individuals—and sometimes it's a lack of training, where some of our reps think—we have what we call bank time and non-bank time; it's two different types of time. And I advise individuals, when it's brought to my attention, that they were perhaps reporting under the wrong type of time, that they should report under the proper time.

Mr. PORTMAN. If you could answer the second question of——

Mr. SKWIERCZYNSKI. Which was?

Mr. PORTMAN. In the past 5 years, have you disciplined any of your members for engaging in such activities?

Mr. SKWIERCZYNSKI. I haven't personally because I haven't had any of these instances brought to my attention that I felt warranted discipline.

Mr. PORTMAN. Has the union been engaged in disciplining members?

Mr. SKWIERCZYNSKI. There have been instances of discipline, yes.

Mr. PORTMAN. And what would the discipline be from the union?

Mr. SKWIERCZYNSKI. Reducing time or removing time altogether. You have to understand, it's a little dicey issue here in that there are union officials who are local reps who tend to be appointed and those people we can pretty much control how much time they get. But elected officials, on the other hand—members elect them, and it's a little more difficult situation in terms of controlling their time. The way to deal with that is to get them out of office at the next election——

Mr. SKWIERCZYNSKI [continuing]. And just like any other union, you have elections and you have to deal with that process.

Mr. PORTMAN. My time has already been exceeded, and I appreciate the Chairman for indulging me for a minute, but if the testimony you've given today in written form does not include specific recommendations, and if the Subcommittee doesn't have that, I certainly would be very interested to see what your specific recommendations are as to how to resolve some of these problems, get more accountability. And you did mention earlier, again, recordkeeping could be improved. I think it could be vastly improved.

Mr. SKWIERCZYNSKI. Would you like me to send something in writing to the Subcommittee?

Chairman BUNNING. That would be fine.

Mr. PORTMAN. That would be great, and I will get it through the Subcommittee's offices.

But that's what this is all about. It's trying to clean up a clear problem identified by the IG.

Thank you, Mr. Chairman.

Chairman BUNNING. Thank you, Mr. Portman. Let me just comment on a couple of things. In June of 1996, we received a report from the General Accounting Office that there had been an increase of 145 percent in official time and the expenditure of actual trust fund money on that official time. That was a red flag because the partnership came in in 1993. Everything had been flat until 1993, and then we saw this major escalation of cost. That was a red flag.

We asked for the Office of Inspector General to follow up on that report in 1996, and we said to do it as soon as possible. Well, it's 1998, and they've just finished it. So, I want you to know that this is our duty and our obligation—when we see red flags come up to do something about them. It is the duty and obligation of this Subcommittee to oversee the Social Security Administration. You know that; I know that. I'm not sure that the public knows that.

So the descriptions that you have given of these hearings are incorrect. You're entitled to your opinion. We can't do anything about that; you're entitled. Anybody is entitled to their own opinion, but we have an obligation to the taxpayers to make sure that we look at that $14-plus million that was being spent, compared to the $6 million that was being spent in 1993.

Thank you for your testimony. Often it is impossible for our Subcommittee to cover everything, every issue we're interested in. Therefore, we may be submitting additional questions to you in

writing for you to answer for the record. We need to protect the integrity of the Social Security system and respect union rights, while rooting out any abuse in the workplace. Therefore, I will immediately request an in-depth investigation by SSA's offices of the Inspector General of the allegations of official time abuse brought before this Subcommittee in sworn testimony.

I am also considering a number of legislative options—and I'm glad that Mr. Portman asked for your suggestions because we don't have all the answers. You're on the job; you ought to have some suggestions for this Subcommittee so that we can narrow whatever we think might be the gap of abuse.

Over the last 3 years, many dedicated Social Security employees have voiced their concerns about labor-management relations. These employees were afraid to speak up, afraid to take action. As we've heard from our witnesses, the threats are real. However, I continue to urge employees to step forward, share their views and their solutions, because we're listening.

I thank the witnesses for their testimony, all the witnesses. This hearing stands adjourned.

[Whereupon, at 12 p.m., the hearing adjourned subject to the call of the Chair.]

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