

**FOLLOW-UP REVIEW OF DOCUMENT IMAGING
RAILROAD UNEMPLOYMENT INSURANCE ACT PROGRAMS
Report No. 02-09, August 8, 2002**

INTRODUCTION

This report represents the results of the Office of Inspector General's (OIG) review of the Railroad Retirement Board's (RRB) document imaging initiative for Railroad Unemployment Insurance Act (RUIA) Programs.

Background

The RRB's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families. During fiscal year 2001, the RRB paid approximately \$8.4 billion in railroad retirement and survivor benefits to about 700,000 beneficiaries. The RRB also paid unemployment and sickness insurance benefits of \$95 million to some 40,000 claimants.

The RUIA document imaging program substitutes electronic images stored on magnetic media for the paper documents that have historically been maintained as support for decisions on applications and other decisions related to benefit payment adjudication. This computer-based technology is intended to enhance efficiency and effectiveness of operations by increasing the accessibility of the documentary evidence that is required for claims adjudication.

The RRB has used document imaging to retain sickness insurance applications and beneficiary tax statements since the early 1990s. In June 1999, the RRB replaced the original obsolete system with more modern technology. In March 2000, the RRB completed expansion of the system to allow wider access to selected information within the agency.

The document imaging processing consists of:

- Scanning the original paper document into the system;
- entering indexing data to permit future retrieval of the image and to link the new image to related images using a common identifier;
- retaining the original paper document according to law and regulation;
- retrieving paper documents if they are requested during the mandatory retention period; and
- destroying the original paper documents after the expiration of the applicable retention period.

In November 2000, the OIG reported that the RRB needed to strengthen controls to ensure the reliability of the RUIA document imaging system.¹ During that review, the OIG observed illegible, incomplete images on the system; inaccurate indexing; and inadequate procedures for the retention of original paper documents. We also identified paper documents that had never been scanned into the system. At that time, we made 17 recommendations to improve the reliability of imaged documents and reduce the risk of the improper destruction of paper documents. The RRB has completed corrective actions for 16 of the 17 recommendations.

In its Strategic Plan for fiscal years 2000-2005, the RRB included an objective to “design and implement information technology initiatives that fundamentally improve our efficiency and effectiveness in achieving the agency’s mission.” This review of document imaging supports that objective.

Objective, Scope and Methodology

The objective of this review was to determine whether:

1. the RUIA document imaging system contains complete, legible electronic facsimiles of the scanned documents; and
2. the original paper documents had been retained in accordance with applicable laws and regulations.

The scope of this review was limited to documents scanned into the RUIA imaging system during September through November 2001. We also limited our study of policy, procedure and internal control to those matters applicable to discrepancies observed during our detailed tests.

To accomplish this objective we performed tests, on a sample basis, of the completeness and legibility of the scanned images. We also tested the accuracy of decisions related to retention of original paper documents. The sampling methodology and results are presented in detail in Appendix I to this report.

For purposes of this review, we classified the various errors identified as either “high-risk” or “low-risk.” High-risk errors are those affecting any of the following: case adjudication, management reporting, or the image retrieval (e.g. wrong social security number or name). Low-risk errors are any discrepancies between the paper document and the image that does not constitute a high-risk error. Only high-risk errors were considered in assessing the need for corrective action.

This audit was conducted in accordance with generally accepted government auditing standards as applicable to the objectives. Fieldwork was conducted at the RRB headquarters office in Chicago, Illinois from December 2001 through May 2002.

¹ OIG Audit Report No. 01-01, “Review of Document Imaging RUIA Programs,” November 17, 2000

RESULTS OF REVIEW

Our review of documents scanned into the RUIA document imaging system indicates that controls are adequate to ensure that paper documents are scanned into the RUIA imaging system and that the scanned images have been properly indexed to permit future retrieval. However, controls are not adequate to ensure that the images resident on the system are complete and legible, and that original paper input documents are properly retained and can be retrieved if needed.

The control weaknesses identified during this review were brought to management's attention in the OIG's previous report on RUIA document imaging. The Office of Programs' planned corrective actions have been completed but were not sufficient to fully eliminate the problems.

The details of our findings and recommendations follow.

Incomplete and Illegible Images

The documents on the imaging system are not always legible and complete. We conducted three tests of completeness and legibility. In general, our audit tests indicate that the occurrence rate of incomplete or illegible images generally exceeds acceptable levels. The details our tests are summarized below.

Type	Documents	Retention	Process Period	Sample	Incomplete/ Illegible Document	
					Sample #	% Reviewed
Random	16,740	Long-term	9/2001 – 11/2001	595	30	5.0%
Random	5,337	Long-Term	9/2001	549	9	1.6%
100% Review	482	Short-Term	10/ 2001	480	25	5.2%

Federal regulations require the preservation of complete records.² Because the RRB uses the RUIA document imaging system as the official record copy, the images in the system must contain all information on the original paper document. A document may be comprised of multiple pages, with information on both the front and back.

Current procedure is not adequate to ensure that all pages of a multi-page document are scanned and that all scanned pages are legible. Although current procedure clearly requires that the person scanning the documents should review the resulting image for any needed corrections, it does not specifically state that this review include a comparison of the paper document to the image. It is impossible to detect missing pages without such a comparison. In addition, some staff responsible for scanning

² 36 CFR 1222.50

images erroneously believed that document pages containing only a date stamp could properly be omitted from the imaging system. Although management had been previously advised of this misunderstanding, operating procedures were not updated.

Missing information can lead to faulty adjudicative decisions. Also, It may be difficult to use records from the imaging system as evidence in a court of law because of reliability and completeness deficiencies. Finally, the agency cannot accurately track the timeliness of its processing for the customer service plan if the mailroom and field office date stamps are missing from the imaged document.

Recommendations

The Office of Programs should:

- revise the review section of the scanning procedures to emphasize that all pages of the paper input documents with date stamps should be scanned and maintained on the imaging system (Recommendation #1); and
- revise existing procedures to specifically require a comparison of the paper document to the scanned image (Recommendation #2).

Management's Response

The Office of Programs concurs with both recommendations and has already updated the applicable quality control procedures for the unit scanning the documents. A complete copy of the response, without attachments, is included in Attachment I.

OIG Comments

The review section of the agency's online scanning procedures has been updated to specifically require a comparison with the paper document but an emphasis on date stamps has not been added. The revision to the quality control procedures satisfies the intent of recommendation #1.

Incorrect Retention Periods for Original Paper Documents

Current controls are not adequate to ensure that original paper input documents are retained for the mandated period.

The RRB's Records Disposition Authority, as approved by the National Archives and Records Administration, provides that certain documents and any attached correspondence should be retained for six years and three months (long-term retention) after the close of the benefit year. Documents not specifically designated for long-term retention may be destroyed after 60 days (short-term retention).

We examined 482 original paper documents that had been scanned into the RUIA imaging system during October 2001 and, having been designated for short-term retention, were now awaiting destruction. Approximately 2% of the documents examined had been incorrectly scheduled for short-term, rather than long-term, retention.

Although some of the document retention errors identified during our review were the result of inadequate training and incomplete procedures, some errors could be attributed only to human error.

During the audit, management advised the OIG that, prior to destruction, each batch of documents is examined to prevent the improper destruction of documents that should have been retained. We were advised that the documents selected for our review had not yet been subject to this control. This control has not been formally documented in the agency's published procedures.

Federal regulation prohibits removal or destruction of any record in Federal custody except as provided for in the approved disposition authority.³ Each agency head is required to establish safeguards against the loss of records.⁴ The RRB will be in violation of Federal regulations if it destroys the sickness applications and other designated documents prior to the expiration of the six year, three month retention period. Forensic evidence will be lost if these documents are improperly destroyed.

Recommendations

The Office of Programs should:

- train all staff in RRB units that handle paper documents on the applicable procedures for document retention (Recommendation #3);
- revise the procedures for handling paper documents to clarify that the designated forms and all copies should be retained for six years, three months. (Recommendation #4); and
- formalize procedures for the 100% pre-destruction review of documents (Recommendation #5).

Management's Response

The Office of Programs concurs with all three recommendations and has already completed the necessary training and procedure revisions. A complete copy of the response, without attachments, is included in Attachment I.

³ 36 CFR 1228.100

⁴ 44 U.S.C. 3105

Retrieval of Original Paper Documents

Our review indicates that approximately 2% of original paper input documents scheduled for long-term retention could not be retrieved directly from the proper filing location.

The date that a document is scanned is captured by the imaging system. The original paper documents are then filed by the date that they were scanned into the system. Within filing date, documents are grouped by the type of form but not by any sequential identifier. As previously discussed, guidelines for the retention of documents and penalties for improper removal or destruction are established in Federal regulation.

During the review, we traced a random sample of 600 document images to the supporting paper input documents. Each of the related 600 paper input documents should have been scheduled for long-term retention and filed accordingly. The supporting paper input documents for 11 of the 600 sample images, approximately 2%, could not be located among other documents scanned on that date.

If a paper document had not been properly filed among the other documents scanned on that date, we searched among documents scanned the day before and the day after. The high volume of documents and the absence of sequential identifiers make a wider search impractical. Six of the 11 missing documents were ultimately located among those scanned a day earlier or a day later. However, five documents could not be located within those search parameters and, we could not verify that they had been retained.

We did not determine a specific cause for the inaccurate filing of paper documents. However, we did observe that current quality control procedures do not include an image-to-paper test of filing accuracy that would disclose unacceptable error levels and assist management in minimizing the number of missing or lost paper documents.

Under the current filing system, searching for improperly filed documents is inefficient and labor intensive. In addition, proper filing is closely related to proper retention. Documents that cannot be retrieved have not been properly retained.

Recommendation

The Office of Programs should include an image-to-paper test of compliance with filing and retention guidelines as part of its ongoing quality control procedures (Recommendation #6).

Management's Response

The Office of Programs concurs with this recommendation and has already updated the quality control procedures. A complete copy of the response, without attachments, is included in Attachment I.

APPENDIX I

SAMPLING METHODOLOGY	TEST #1		TEST #2		TEST #3	
Type Of Comparison	Paper-to-Image		Paper-to-Image		Image-to-Paper	
Performed Period	October 2001		September 2001		September –November 2001	
Type Of Paper Document	Short-Term Retention		Long-Term Retention		Long-Term Retention	
Selection Source	Paper Documents		Paper Documents		Imaged Documents	
Number of Documents in the Population	482		5,337		16,740	
Sample Section Method	100% Review		Random Selection		Random Selection	
Sample Size	482		550		600	
AUDIT EXCEPTIONS	Number	Occurrence	Number	Occurrence	Number	Occurrence
The original paper document could not be matched to an image on the system.	2	0.41%	1	0.18%	Not Applicable	
The original paper document was improperly scheduled for short-term retention	10	2.07%	Not Applicable		Not Applicable	
The original paper document was filed incorrectly.	Not Tested		5	.91%	11	1.83%
The scanned image was illegible or incomplete.	25	5.21%	9	1.64%	30	5.04%
The indexing information was incomplete or inaccurate.	1	0.21%	2	0.36%	1	.17%

Note: The Occurrence Rate was calculated by dividing the number of audit exceptions by the sample size. When missing documents or images prevented testing of all sample items, the sample size was reduced for any missing documents or images that could not be examined. That lower number was 480, 549 and 595 for Tests #1, #2 and #3 respectively.

Test #1 did not include a review of filing accuracy because the documents in Test #1 fall under the short-term retention schedule, and as such, are destroyed 60 days after scanning. Accordingly, we did not consider filing accuracy a high-risk issue.



UNITED STATES GOVERNMENT

MEMORANDUM

AUG 05 2002

TO: Henrietta Shaw
Assistant Inspector General, Audit

FROM: Catherine A. Leyser
Director of Assessment and Training

THROUGH: B. V. Ferguson
Director of Programs

SUBJECT: Draft Report – Follow-up Review of Document Imaging: Railroad Unemployment Insurance Act Programs

OP Response to RUIA Imaging Audit**Introduction**

The Office of Programs reviewed your draft report, Follow-Up Review of Document Imaging-Railroad Unemployment Insurance Act Programs. We generally agree with the recommendations contained in the report, and this memorandum provides specific status of each of the recommendations.

Recommendation 1

Revise the review section of the scanning procedures to emphasize that all pages of the paper input documents with date stamps should be scanned and maintained on the imaging system.

Office of Programs reply:

We concur with this recommendation. Procedures were revised and distributed to appropriate staff on July 23, 2002. Copy of the revised procedure is shown as Attachment 1.

Recommendation 2

Revise existing procedures to specifically require a comparison of the paper document to the scanned image.

Office of Programs reply:

We concur with this recommendation. Procedures were revised and distributed to appropriate staff on July 23, 2002. Copy of the revised procedure is shown as Attachment 1.

Recommendation 3 Train all staff in RRB units that handle paper documents on the applicable procedures for document retention.

Office of Programs reply:

We concur with this recommendation.

- The Disability, Sickness and Unemployment Benefits Division (DSUBD) provided training on June 6, 2002, and provided copies of the procedures to staff the day before the training. An e-mail from the chief of the Sickness and Unemployment Section of DSUBD verified that training shown as Attachment 2.
- Assessment and Training (A&T) provided training on March 6, 2002, and provided copies of the procedures and the appropriate forms related to the procedures. An e-mail from the Chief of the Reconsideration Section of A&T verified that training shown as Attachment 3.

Recommendation 4 Revise the procedures for handling paper documents to clarify that the designated forms and all copies should be retained for six years, three months.

Office of Programs reply:

We concur with this recommendation. Policy and Systems (P&S) revised procedures contained in the agency Intranet, Boardwalk, shown in Chapter 6, Section 5, under Paper Documents, Sorting Paper Documents-RUIA. We have attached copy of the revised pages that were posted in procedures on June 20, 2002, shown in Attachment 4.

Recommendation 5 Formalize procedures for 100 percent pre-destruction review of documents.

Office of Programs reply:

We concur with this recommendation. Procedures were revised and distributed to appropriate staff on July 23, 2002. Copy of the revised procedure is shown as Attachment 1.

Recommendation 6 The Office of Programs should include an image-to-paper test of compliance with filing and retention guidelines as part of its ongoing quality control procedures.

Office of Programs reply:

We concur with this recommendation. Procedures were revised and distributed to appropriate staff on July 23, 2002. Copy of the revised procedure is shown as Attachment 1.
