

Health, Education and Human Services Division

B-278085

December 8, 1997

The Honorable Barbara B. Kennelly
Ranking Minority Member, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives

Subject: Social Security Administration: Information on Monitoring 800 Number Telephone Calls

Dear Ms. Kennelly:

In 1988, the Social Security Administration (SSA) established a toll-free 800 number to improve the public's ability to contact SSA by telephone. The public can reach SSA through that number from anywhere in the country. Teleservice representatives (TSR) at the 800 number answer beneficiary inquiries, schedule appointments, and correct benefit records.

Public use of the 800 number grew from more than 41 million calls in fiscal year 1989 to more than 75 million in fiscal year 1997. As of January 1997, SSA employed more than 4,000 TSRs at 37 teleservice centers (TSC) throughout the country. On high-volume days, an additional 2,460 technical staff are available to assist TSRs in answering 800 number calls. These employees are known as "Spikes" because they provide this support on the busiest days with the highest peaks, or spikes, in call volume.

SSA monitors its 800 number telephone calls to ensure good customer service under a program referred to as service observation, in which SSA employees listen to TSRs during their calls. The purpose of this observation is to assess the accuracy and courtesy of the TSRs who provide information to the public, to identify training needs, and to gather statistical information on calls received.

In July 1997, the SSA Office of the Inspector General (OIG) issued a report that criticized SSA's service observation program.¹ This report stated that the program did not fully comply with federal laws and regulations, in part because

¹See SSA, Office of the Inspector General: The Social Security Administration's Program for Monitoring the Quality of Telephone Service Provided to the Public, A-13-96-52001 (Baltimore, Md.: July 1997).

the OIG questioned whether SSA had properly obtained the consent of the public or its employees for its observation during calls. The report also criticized SSA for not adhering to a regulation that had been designed to ensure proper monitoring practices. However, when the OIG's report was published, this regulation was no longer in effect.² Given your concern about protecting the privacy of the public and of SSA employees, you asked us to answer the following questions: (1) What do the laws and regulations require and what has SSA done to gain consent for telephone monitoring from the public and its employees? (2) To what extent is SSA following private industry's best practices for telephone monitoring? To respond to your request, we reviewed and analyzed relevant laws and regulations, and we located best practices in telephone monitoring. We also interviewed SSA officials, a representative of the American Federation of Government Employees (AFGE), and SSA members of an interagency team that conducted a study of best practices in telephone service. We conducted our review in accordance with generally accepted government auditing standards from September through December 1997.

In summary, we found that under current law, SSA cannot monitor telephone calls unless its monitoring practices fall within a statutory exception. One exception generally relates to the type of telephone equipment provided to a business and whether it is used for business purposes. Another exception requires the consent of at least one party to a conversation. The OIG did not determine whether SSA meets the first exception, but SSA believes it does. Also, the agency has taken steps to gain consent for telephone monitoring from the public and its employees. SSA has negotiated agreements with AFGE to more often notify employees when particular calls will be monitored and has added a recorded message to its 800 number to notify callers that their calls may be monitored.³ SSA is also developing a new regulation that will formally notify its employees and the public of its monitoring practices. Regarding best practices, there are some similarities and differences between SSA's telephone monitoring practices and those identified in a key study of private companies

²The statutory basis for this regulation was repealed effective August 8, 1996, and, effective the same date, the General Services Administration (GSA) specifically removed this regulation from the Code of Federal Regulations. However, the OIG reported that this regulation was still relevant to the study because it provided guidance for monitoring practices and because SSA officials told OIG officials that the agency planned to continue to follow the regulation until SSA's own regulation is developed.

³As of November 21, 1997, SSA's recorded message was not yet reaching all 800 number callers who spoke directly to a representative. SSA officials told us that they are looking at options to resolve this issue.

considered to be the best in the 800 number business. For example, the approach SSA supervisors use to monitor TSR calls and the approach managers use to monitor broader unit-level performance are similar to private sector best practices. Finally, SSA's approach to quality monitoring differs from private industry's best practices. Rather than immediate supervisors' performing the quality monitoring function, SSA maintains a separate unit to monitor for quality to ensure that benefits are paid accurately.

REQUIREMENTS FOR TELEPHONE MONITORING AND SSA ACTIONS TO GAIN CONSENT

Current law limits federal agencies when they monitor telephone calls. The Omnibus Crime Control and Safe Streets Act of 1968 prohibits intercepting telephone conversations by electronic or mechanical devices except under certain exceptions.⁴ Under the business-use exception, telephone monitoring is permitted in a business setting when the telephone equipment is provided by the telephone company in the ordinary course of business and is used for monitoring business-related calls. Under the consent exception, intercepting telephone conversations is permitted when at least one party to the conversation consents, either explicitly or implicitly, to the monitoring of the call.

The July 1997 OIG report did not determine whether SSA met the business-use exception for its telephone monitoring program, but it raised questions about whether SSA had gained the consent of either the public or its employees. At the time of the OIG audit, SSA's practice was to notify SSA customers and the public of its service observation program through statements in documents and pamphlets it distributed. The OIG did not believe that this practice ensured that every person who called SSA had implicitly consented to being monitored. Also, the OIG questioned whether SSA had obtained the consent of its employees because it did not notify them every time it monitored their calls. The OIG cited language in a memorandum of understanding between SSA and AFGE that stated that an employee's using a telephone that was subject to service observation would not be construed as the employee's consenting to being observed.

SSA officials told us that they believe their monitoring of telephone calls would fall under both exceptions. Regarding the consent exception, SSA officials said that SSA can infer that callers have given their consent through the pamphlets it distributes to SSA customers and the public. In addition, SSA officials said that they notify their employees of the monitoring program by designating the

⁴18 U.S.C. Secs. 2510-2522.

telephones and telephone lines that will be monitored and by engaging in extensive negotiations with AFGE representatives on the procedures for telephone monitoring. SSA believes that employees who remain in their positions while they know that monitoring is a condition of their employment and who use the designated equipment have implicitly consented to monitoring.

SSA officials disagree with the emphasis the OIG's report gives to the statement in the memorandum of understanding that an employee's using a telephone that was subject to observation would not be construed as the employee's consenting to being observed. Officials pointed out that the purpose of the memorandum is to set forth the parties' agreement that monitoring will occur only under specified conditions. In addition, SSA officials said that they have changed the agency's service observation program in recent years. In 1996, SSA officials agreed to notify TSRs before immediate supervisors monitor their calls.⁵ This change was made as a result of cooperative efforts between SSA management and national officials of AFGE.

SSA Is Notifying the Public

The OIG concluded that its concern over whether SSA had gained consent for telephone monitoring would be satisfied if SSA modified the memorandum of understanding or included a message on the 800 number requesting callers to consent to monitoring. In October 1997, SSA instituted a recorded message on its 800 number designed to notify all callers who speak live to representatives of the telephone monitoring program.⁶ The message states, "To ensure that you receive accurate and courteous service, your call may be monitored." SSA officials told us that they chose to provide this notice to callers in order to better inform the public of its monitoring program. They also stated that many major businesses use such messages. A recent survey of SSA's regional offices showed support for the message. SSA estimates that it will cost approximately \$393,000 per year to extend the length of the automated menu and about \$351,000 per year to pay for the time TSRs will spend talking to the callers who ask questions about the message.

⁵Employees are still sometimes not notified in advance, as when TSRs have exhibited conduct problems or when unit managers monitor calls to assess overall unit operations. These instances are discussed later in this letter.

⁶In its 800 number service, SSA provides an extensive menu of automated options from which callers may choose. The agency intends to provide notification of monitoring to all callers who opt to speak to a live representative (about 85 percent of the callers).

Even this new step to inform the public may not be reaching all callers. We made a small number of test calls and, depending on the menu selections we made, found that we did not consistently receive the new recorded message. SSA is aware of this problem and is analyzing how it may be corrected.

SSA Is Drafting New Regulations

Until August 1996, a regulation promulgated by GSA and known as the Federal Information Resources Management Regulation (FIRMR) governed the government agency practice of listening in on or recording telephone conversations.⁷ The OIG criticized SSA for not complying with provisions in this regulation that detailed the controls, policies, and procedures needed for agencies' proper public service monitoring. However, effective August 8, 1996, the Information Technology Management Reform Act repealed the statutory authority for the regulation.⁸ Accordingly, GSA removed FIRMR from the Code of Federal Regulations.⁹

In the absence of a regulation to guide telephone monitoring throughout the government, SSA concluded that it should promulgate its own regulation. This regulation is now in draft. Officials told us that with some exceptions, they used FIRMR as a basis for their draft. When it is final, this regulation will formally notify SSA employees and the public of the agency's monitoring practices. Until then, SSA may choose to use aspects of FIRMR as guidance.

⁷GSA was authorized to regulate many aspects of electronic equipment procurement and use for the federal government under section 111 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. Sec. 759), commonly known as the Brooks Act. FIRMR is in 41 C.F.R. Chapter 201.

⁸See Defense Authorization Act, P.L. 104-106, Division E, Sec. 5101.

⁹The OIG report also criticized SSA for having limited or no controls to ensure that telephone monitoring is being used for its authorized purpose, as required under Office of Management and Budget Circular A-123. For example, the OIG reported that SSA does not maintain a record, or audit trail, of the calls monitored and lacks adequate controls to prevent unauthorized monitoring. SSA has analyzed these issues and responded to the OIG; however, we did not analyze these issues in this letter because they were beyond the scope of our work.

COMPARISON OF SSA CALL-MONITORING
PRACTICES WITH PRIVATE SECTOR BEST PRACTICES

Telephone monitoring is an accepted and common practice among businesses that provide telephone services. The National Performance Review's (NPR) February 1995 report entitled Serving the American Public: Best Practices in Telephone Service identified a set of best practices for service observation, and SSA follows some of these, notably when supervisors perform service observation.¹⁰ However, SSA has decided not to follow the industry best practices that the agency has determined are not consistent with its public mandate.

The study team for the NPR report, composed of staff from SSA and nine other federal agencies, reviewed the operations of eight companies that have been considered the best in the 800 number business, or world class, by their customers and found an amazing degree of similarity among the industry's best.¹¹ Study participants told us that the culture of an organization affects its service observation approach. The study found that world-class telephone service companies

- have a strong corporate culture that focuses on customers,
- view their frontline workers as the primary link to these customers, and
- strive to create a climate that fosters trust, teamwork, and shared communication.

Given these features, world-class telephone service companies conduct service observation of customer calls in an open and supportive environment.

The specific best practices for service observation can be grouped by type of observation: supervisory, unit, or quality assurance. Table 1 identifies the type and purpose of the observation and the related best practices.

¹⁰The NPR report was based on a benchmarking study conducted by a federal consortium under the direction of NPR. Study team members surveyed world-class customer service telephone operations to identify practices that can be applied in government to raise the level of service to equal the best in business. It identified a whole set of best practices, of which those dealing with monitoring calls are only a part. We did not validate these practices.

¹¹The eight companies were American Express Travel Related Services, AT&T Universal Card Services, Bell Canada, Citibank, Duke Power Company, GE Answer Center, Saturn Corporation, and USAA Insurance.

Table 1: Key Service Observation Best Practices in World-Class Companies

Type and purpose of observation	Key best practice
Supervisory observation: - to assess how well frontline workers are serving customers - to identify training needs as part of a continuous improvement effort	Focus is on an open and constructive relationship between supervisors and frontline workers. Supervisors offer constructive and immediate feedback. ^a Monitoring is both remote and side by side, although we were told side-by-side monitoring is believed to be the more effective.
Unit observation: to collect information on how well a call center or unit is performing	Unit managers regularly listen in on live calls in order to stay in touch with customers and monitor the effectiveness of a center's operations.
Quality assurance observations: to assess the accuracy and quality of program operations	Quality assurance is performed by means of supervisory observation. World-class companies have moved away from using a separate, formal quality-monitoring group for service observations.

^aThe next section gives a more detailed list of the supervisory observation best practices.

SSA's Practices for Supervisory Observation Are Similar to Best Practices

SSA's current practices for supervisory review of TSRs are similar to the best practices identified in the NPR report.¹² In fact, some of SSA's current practices for supervisory observation are guided, in part, by the NPR study. SSA formed a work group to discuss the lessons learned from the study and how well SSA's telephone service compared with that of the companies the NPR team visited. As a result, SSA signed an agreement with AFGE in 1996 to include some of the best practices in its service observation program. Table 2 compares the best practices for supervisory observations with SSA's current practices.

¹²Supervisory observation is conducted for TSRs only. Spikes are excluded at this time, although SSA officials told us that they would like to include Spikes in the future.

Table 2: Comparison of Best Practices for Supervisory Observation With SSA Practices

Best practices for supervisory observation	SSA's practices for supervisory observation
The purpose of supervisory observation is to identify training needs and provide coaching or helpful suggestions for improving service	The purpose of supervisory observation is to assess the training needs of the TSR and to ensure courteous, accurate, and professional service without a punitive environment
Observations are not necessarily linked to performance assessment	Observations are not linked to individual performance appraisals
Supervisor or coach typically monitors 5-10 calls per frontline worker per month	Supervisor monitors 1-5 calls per experienced TSR per month; for trainees (workers with less than 1 year of experience), supervisors may monitor an unlimited number of calls
Workers are to receive immediate feedback	Workers are to receive immediate feedback
Observation may be made from remote locations or side by side, but side-by-side observation is seen as the most effective way to foster open communication	Workers are notified in advance and given a choice of remote or side-by-side observation; unannounced observation is permitted only for workers who have conduct problems

While world-class companies observe calls either from a remote location or side by side, the NPR study participants we talked to emphasized that side-by-side monitoring was seen as the most effective way to provide immediate and useful feedback and to foster open communication with employees. Before the 1996 agreement with AFGE to change certain observation practices, SSA's observation of TSRs did not provide for side-by-side observation. Monitoring was remote, workers were not informed in advance, feedback was given within 24 hours, and the monitoring was used for performance appraisals. The focus of observation was on identifying errors that related to whether TSRs conformed to operating procedures. According to SSA and union officials, this approach did not foster trust and open communication.

In addition to their supervisory monitoring, team leaders in the world-class companies listen to live calls as a group, score the calls individually, and then compare their scores to ensure consistency of measurement. SSA does not currently follow this best practice, nor does it plan to in the near future, according to an SSA official.

SSA's Unit-Level Observations Are Similar to Best Practices

SSA's observations at the TSC or unit level are similar to the best practices listed in table 1.¹³ In the companies studied by the NPR team, unit managers regularly listen in on live calls in order to stay in touch with customers and to monitor the effectiveness of a center's operations. In SSA, supervisors and managers at TSCs monitor calls in order to obtain aggregate data and statistical information on a particular type of call or to assess training needs at the local TSC or other SSA unit. The information collected is also used to assess how well the unit is meeting the public's needs. This type of observation is not to be used to assess individual employee performance.

Despite the similarity between SSA's unit-level call monitoring and best practices, an SSA union representative told us that she believes that this call monitoring is subject to abuse since it is unannounced, remote, and performed at the discretion of the managers and supervisors. Workers fear that unlike supervisory monitoring, which must be announced, managers could use this type of observation to inappropriately monitor TSRs. An SSA official told us that SSA is working with union representatives to develop controls to ensure that this monitoring approach is not used inappropriately. For example, they are developing procedures that will allow for the random selection of the particular calls to be monitored. They plan to implement this process after the peak calling season in 1998.

SSA's Quality Assurance Observation Differs From Best Practices

SSA's service observations for agencywide quality assurance differ from best practices. According to the NPR report, world-class organizations ensure quality control by making regular supervisory observations. These organizations have moved away from using a separate, formal quality-monitoring group for service observations; separate groups have been dissolved. In SSA, the Office of Program and Integrity Review (OPIR), a separate entity, performs service observations for the purpose of quality assurance.

¹³Spikes are included in this level of observation, and managers may monitor calls for a particular TSC or for an SSA unit where Spikes are located.

The purpose of OPIR's service observation is to assess the accuracy and quality of 800 number telephone service, and the focus is on regional and national TSC performance.¹⁴ Data are collected on the reason for and type of calls, the accuracy of the information TSRs give, benefit programs involved, and TSRs' types of response and courtesy. Quality observation is unannounced, and the results are not to be used to assess individual performance. SSA officials told us that the agency needs a separate formal quality group to ensure that services are consistent with SSA policies on a regional and national level and that callers receive high-quality service. SSA officials told us that since TSRs give callers vital information that may affect their eligibility for or level of benefits, giving accurate information is part of their responsibility to help the public and to safeguard the SSA trust funds. SSA has no current plans to eliminate this type of monitoring. In fact, SSA recently entered into a new agreement with AFGE to conduct a pilot study in which OPIR will monitor calls to 50 of SSA's field offices.

In world-class organizations, not only do supervisors provide feedback on how well workers are serving the customer; the organizations also collect customer feedback on the service that has been provided by conducting postcall mail and telephone surveys. Customer responses are shared with the frontline workers who handled the calls so that they may better understand a customer's point of view, and the responses become part of a worker's performance assessment. SSA's OPIR conducts ongoing evaluations of the SSA's 800 number service through semiannual recontact surveys of callers' experience and satisfaction with the 800 number service. However, SSA does not yet collect sufficient information at the time of a call to link a survey response to the individual TSR who handled the call. Thus, the results of these surveys cannot be used to provide feedback to individual TSRs.¹⁵

AGENCY COMMENTS

We obtained written comments from SSA on a draft of this report, and we have incorporated the agency's comments where appropriate. In its written comments, SSA reiterated its view that the agency is operating within legal authority in its 800 number telephone monitoring. In addition, SSA further explained its rationale for maintaining a separate quality monitoring unit. By maintaining this independent and unannounced review of calls, the agency aims

¹⁴Spikes are also included in this level of observation.

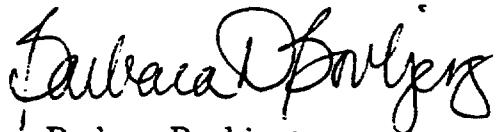
¹⁵In the past, under FIRMR, SSA was prohibited from obtaining personal information that would identify callers. This is subject to change under SSA's new regulations, and any changes are also subject to discussion with the union.

to ensure that its monitoring is objective and standardized across the various sites and that the results are valid. In this way, SSA believes it meets its stewardship responsibilities and further ensures public confidence. The full text of SSA's comments appears in appendix I.

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We will make copies of this correspondence available to those who are interested upon request. If you or your staff have any questions, please call me on (202) 512-7215. Other staff who contributed to this correspondence include Kay Brown, Vernette Shaw, and Stefanie Weldon.

Sincerely yours,



Barbara Bovbjerg
Associate Director, Income Security Issues

COMMENTS FROM SSA

SOCIAL SECURITY
Office of the Commissioner

December 3, 1997

Ms. Jane L. Ross
Director, Income Security Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Ross

Thank you for the opportunity to comment on your proposed correspondence "Information on the Social Security Administration's Program for Monitoring 800 Number Telephone Calls (GAO/HEHS-98-56R)." We would like to address two specific matters contained in your draft correspondence.

First, SSA is operating within legal authority in the conduct of its 800 number telephone monitoring. As you accurately state, monitoring is permissible if one of two statutory exceptions is met. The first exception, the consent exception, requires that one party to the call consent to the monitoring. As you note, we meet the consent exception given the knowledge of our employees about monitoring and the recorded message now in place notifying callers that their calls may be monitored. The second exception, the business use exception, requires that the equipment used to conduct the monitoring be provided by a telephone company in the ordinary course of business and the call monitored be of a business nature. Our Office of General Counsel believes that SSA's monitoring falls within the business use exception because it has determined, even without conducting a survey of the SSA's equipment, that it is reasonable to assume that: 1) SSA obtained its telephone equipment from telephone companies; and 2) the calls received on the 800 number are related to SSA's business.

Second, with regard to quality monitoring, we believe that the best way to ensure that we are providing accurate information to the public is to engage in a program of independent and unannounced monitoring. If monitoring were left to supervisory personnel in the component being assessed, we would be concerned about assuring ourselves and the public about objectivity, standardization of procedures and validity of the results obtained. We do not believe that this approach conflicts with best-in-business practices because it is consistent with SSA's additional responsibility of stewardship for the programs we administer and to further ensure public confidence.

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

ENCLOSURE I

ENCLOSURE I

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Some additional technical points related to your draft letter have been transmitted to your staff. Thank you again for the opportunity to comment.

Sincerely,

John R. Dyer
John R. Dyer
Acting Principal Deputy Commissioner
of Social Security

(207017)



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