



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

**STATEMENT OF
KENNETH ZAWODNY
ASSOCIATE DIRECTOR, RETIREMENT SERVICES
U.S. OFFICE OF PERSONNEL MANAGEMENT**

and

**DONNA SEYMOUR
CHIEF INFORMATION OFFICER
U.S. OFFICE OF PERSONNEL MANAGEMENT**

before the

**SUBCOMMITTEE ON FEDERAL WORKFORCE, U.S. POSTAL SERVICE, AND THE
CENSUS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

on

“Addressing the Backlog in the Federal Employee Retirement Process”

December 10, 2014

Chairman Farenthold, Ranking Member Lynch and Members of the Subcommittee:

Thank you for allowing me the opportunity to appear before you today to discuss the progress of the Office of Personnel Management (OPM) in reducing the inventory of Federal retirement claims, as well as in further automating the claims process.

Update on Retirement Services Processing

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OPM's mission is to recruit, retain, and honor a world-class workforce to serve the American people. Under the charge to honor the service of dedicated Federal employees who have devoted their careers to serving the citizens of this country, OPM is responsible for processing in excess of 120,000 retirement applications a year. Aside from processing new, incoming retirements, OPM also handles post-retirement human resources functions for 2.5 million Federal annuitants, survivors and their families. In January 2012, OPM released and began implementation of a Retirement Services strategic plan to reduce the inventory of retirement claims, and we remain on track and focused on the goal of adjudicating 90 percent of retirement cases within 60 days. Today the retirement claims inventory is 14,039 cases, down from 23,554 cases in February 2014. We are processing 83.4 percent of new retirement claims within 60 days or less – with an average processing time of 37 days. In keeping with the principles of open government, inventory reduction and claims processing efficiency metrics are posted publicly on our website on a monthly basis, allowing the public to track our progress.

Director Archuleta is committed to improving Retirement Services (RS) at OPM. There are three areas targeted for reform: Process, Customer Service, and Information Technology (IT) Solutions.

Process Reforms

The Process team is focused on identifying opportunities to gain efficiency in the processes pertaining to the post adjudicative workload, such as Federal Employee Retirement System disability claims that are impacted by a Social Security payment. Process improvements will lead to more timely actions and a reduction in the potential for improper payments. We have mapped and evaluated the current processes and will review the data collected in order to

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identify improvement opportunities through process modifications. This initiative will ensure we do not automate flawed processes as we continue our transition to a more fully automated system.

Customer Service Updates

The Customer Service team is exhaustively studying current processes and customer behavior. As part of the effort, the team made multiple site visits to RS facilities and conducted numerous interviews with current and future retirees. Based on that research, we are focusing our attention on OPM's online services. Interview results show that customers who utilize RS online services are very satisfied with the services. The key is to drive more people to online services and to further improve those services and experiences. For example, one change we implemented based on customer feedback is revisions to our password reset functionality in Services Online (SOL). Beginning June 1, 2014, annuitants who have forgotten their passwords can receive a temporary password at their email address of record instead of through the U.S. Postal Service. They can select this option from the SOL website or they can use the call center to instantly restore their online access. Allowing annuitants to request a temporary password via the website will reduce calls to the call center and improve the customer experience. We continue to review and improve Call Center support. The recent statistics show that the average speed to answer calls for the last quarter of Fiscal Year (FY) 2014 was 14 minutes compared to 20 minutes in the 1st quarter FY 2014, a 30 percent reduction. Our call handling volume has continued to increase from an average of 3,900 in 1st quarter FY 2014 to 5,500 in 4th quarter FY 2014, a 41 percent increase. And we have been able to reduce busy signals from 39,000 a day in 1st quarter FY 2014 to 3,300 in 4th quarter FY 2014, a 91.5 percent decrease. We have also

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reached out to other Customer Service agencies like the Social Security Administration and the Department of Defense who have similar annuitant populations to exchange information and ideas.

Retirement Services Information Technology Solutions

Fulfilling a promise she made during her confirmation hearing, Director Archuleta produced a Strategic IT Plan for OPM within 100 days of becoming director of OPM. This Strategic IT Plan directly addresses several areas of weakness in IT development, administration and governance that have negatively impacted RS IT initiatives in the past.

In accordance with the Strategic IT Plan, our goal is to deliver iterative capability that will yield near-term results and can be built upon overtime as we continue to work toward full automation. Agile development will allow us to realize results more immediately while leveraging the most innovative and cost-effective technology.

We are currently focused on procuring a case management system to track business workflows which will increase transparency and efficiencies. Case management is a priority need in RS because it will create the foundation for a more fully automated system. This case management system will give us greater insight into the cases themselves, our processes, and our performance within those workflows. This solution will provide various levels of integration with other systems used to capture relevant data through the employment, investigation and retirement lifecycles. In FY 2014, we held an industry day and received tailored demonstrations from 17 companies who offer case management products. In addition to this market research, we have undertaken an exhaustive requirements gathering effort to ensure that whatever solution is chosen will meet business needs across the agency, not just in RS. In FY 2015, we plan to

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release a solicitation for award of the case management system and will begin configuration of the tool. Our effort will include an online retirement application that will help agencies ensure they submit completed retirement applications and make information more accessible to personnel planning their retirement.

Concurrently, we will complete the pilot project with payroll service providers for accepting payroll data from Shared Service Center using a standardized data format. Throughout 2015 and 2016, we will automate other functions currently performed using the mainframe, such as annuity calculations and routines that send payment information to Treasury. Transitioning from the mainframe to a distributed computing environment will save money. Moving to a modern tool set, including the case management system, will reduce our maintenance costs and increase our ability to make system changes in a timely manner.

Conclusion

OPM has made significant progress in reducing the retirement claims inventory and modernizing the retirement process. We expect to continue this progress utilizing process improvements and realizing incremental IT capabilities; however, we understand that challenges remain.

Under Director Archuleta's leadership, we are prepared to meet those challenges. The retirement claims inventory is at a manageable level. Every month we are getting closer to our goal of 90 percent of claims processed within 60 days. We expect to release a Request for Proposal for an electronic case management system next year. Director Archuleta takes modernizing retirement processing seriously, and OPM is making headway in reducing the inventory and digitizing our processes.

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Thank you for this opportunity to testify and I am happy to address any questions you may have.



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BIOGRAPHY

Donna K. Seymour

Donna K. Seymour is the Chief Information Officer (CIO) for the Office of Personnel Management (OPM). She is responsible for the information technology and innovative solutions that support the OPM's mission to recruit, retain, and honor a world class workforce.

Before coming to OPM, Mrs. Seymour served as the acting Deputy Assistant Secretary of Defense for the Office of Warrior Care Policy. She is a member of the Senior Executive Service for the Department of Defense, responsible for policy and oversight related to wounded, ill, and injured transitioning Service members.

In addition, Mrs. Seymour served as the Principal Director for Civilian Personnel Policy. Her responsibilities included human resources management policies affecting more than 900,000 civilian employees world-wide. She joined the Senior Executive Service in September 2007 and has more than 34 years of federal service. She also served as the Executive Director, Enterprise Human Resource Information Systems where she was responsible for providing Department-wide information technology solutions to meet the needs of 35,000 HR specialists, DoD civilian employees, and military and civilian managers and leaders.

Her previous experience includes: Director, Logistics Planning and Innovation Division for the Deputy Chief of Naval Operations (Fleet Readiness and Logistics); Acting Assistant for Administration and the Deputy Assistant for Administration to the Secretary of the Navy; and the Associate Chief Information Officer for Information Technology Policy Oversight at the Department of Transportation after serving as the Chief Information Officer at the Maritime Administration.



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She began her federal career in 1978 and has concentrated primarily in the area of information technology, especially its ability to transform the workforce and business of the federal government, acquisition, financial management, and human resources management.

Mrs. Seymour holds a bachelor's of science degree in computer science from George Mason University where she graduated with Honors and Distinction, and has completed graduate level courses in operations research and management sciences. In 2010, she was awarded the Distinguished Civilian Service Award by the Secretary of the Navy, and in 2007 was named as a Top 100 Chief Information Officer by Computerworld.

As the Director of OPM, Archuleta is committed to building an innovative and inclusive workforce that reflects the diversity of America. As a long-time public servant, she is a champion of Federal employees.



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Kenneth J. Zawodny Jr.

Kenneth J. Zawodny, Jr. is the Associate Director of Retirement Services for the U.S. Office of Personnel Management (OPM). In this capacity, he directs the activities of multiple staff and line organizations in administering the Civil Service and Federal Employees Retirement Systems with annual disbursement of over \$68 billion in benefits.

Previous to this role, Mr. Zawodny was the Deputy Associate Director of the Center for Operations for OPM's, Federal Investigative Services Division (FISD), the largest provider of background investigations for the Federal Government. In this capacity, Mr. Zawodny was responsible for the case management and field investigation programs, including the international and counterintelligence groups. Mr. Zawodny also served on a number of national panels and committees representing OPM in Federal Investigative processes, suitability determinations, and security eligibility determination matters.

Prior to joining OPM, Mr. Zawodny was in charge of the personnel security program at the Department of Homeland Security (DHS), managing daily personnel security operations at DHS headquarters including applicant, employee and contractor personnel suitability and clearance eligibility determinations. Mr. Zawodny managed compliance, oversight and policy for the personnel security programs within the major components across the department. While representing DHS, he also served on several national panels and committees.

Previously, Mr. Zawodny served as Branch Chief, Personnel Security Division for the U.S. Customs and Border Protection (CBP), where he managed the background investigative process and served as liaison between the background investigative contractors and CBP. For 21 years, he served as a Senior Special Agent with the U.S. Army Criminal Investigation Command. In this role, Mr. Zawodny was vested with command and control of U.S. Army criminal investigation activities and resources worldwide.