

OFFICE OF INSPECTOR GENERAL

# OFFICE OF EVALUATION



U.S. DEPARTMENT  
OF HOUSING  
AND URBAN  
DEVELOPMENT

## Records Management in the Office of Hospital Facilities Needs Improvement

Program Evaluations Division

# MEMORANDUM

September 23, 2016

To: Geoffrey Papsco  
Director, Office of Hospital Facilities, HP

Carmelita Bridges  
Departmental Records Officer, AHDCB

Dr. Sheila Wright  
Chief Learning Officer, AHC

From: Kathryn Saylor   
Assistant Inspector General for Evaluation, GAH

Subject: Records Management in the Office of Hospital Facilities Needs Improvement, 2016-OE-0001



U.S. DEPARTMENT  
OF HOUSING  
AND URBAN  
DEVELOPMENT

Please see the attached final report on our evaluation of records management practices within the Office of Hospital Facilities (OHF). We identified areas in which OHF can improve its records management and the U.S. Department of Housing and Urban Development (HUD) can improve records management training. We made three recommendations designed to help OHF and HUD address these areas.

We have included comments on our draft report from the Offices of Healthcare Programs (OHP) and Digital Enterprise (ODE) in appendix B. OHP agreed with the two recommendations directed toward them and provided proposed actions to be taken to satisfy the recommendations. The Office of the Chief Human Capital Officer (OCHCO) did not provide comments on our draft report but agreed with recommendation 3 during discussions of the draft report. ODE also agreed with recommendation 3. We concur with OHP's and ODE's proposed actions and look forward to receiving additional information on their plans. Within 90 days, OHP, OCHCO, and ODE should provide us with details on their proposed management decision for their respective recommendations as well as target dates for implementing corrective actions.

## Attachment

cc:

Roger Lukoff, Deputy Assistant Secretary for Healthcare Programs (Acting), HP

Dr. Dolores Cole, Director (Acting), Office of Digital Enterprise, AHD

Rafael C. Diaz, Chief Information Officer

Henry Hensley, Director, Office of Strategic Planning and Management, X

Christopher Walsh, Deputy Performance Improvement Officer, Office of Strategic Planning and Management, X

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# Executive Summary

## Records Management in the Office of Hospital Facilities Needs Improvement

Report Number: 2016-OE-0001

September 23, 2016

### Why We Did This Evaluation

The Office of Hospital Facilities (OHF) provides mortgage insurance for acute care hospitals. The insurance it provides reduces risk to lenders and lowers borrowing costs for hospitals. As of May 2016, the unpaid principal balance for its 105 insured mortgages was approximately \$7 billion.

OHF collects and generates many records to support its mission. These records include application materials, internal reports, and correspondence. Robust records management practices can help OHF protect the financial, legal, and other rights of the Government and the public.

Well-managed records can be used to assess the impact of programs, improve business processes, share knowledge across the Government, and hold officials accountable for their actions.

While researching OHF's underwriting process, we found evidence of potential weaknesses in the storage of paper and electronic materials. We evaluated records management procedures to determine whether (1) OHF maintained a records retention system that complied with applicable policies and (2) staff received required records training.

### Results of Evaluation

OHF relied on its employees' personal judgement of which records to retain for its business needs or to document the legitimacy of an underwriting decision. While OHF may have retained many required records with its current practices, we are concerned that records collected or generated by OHF could be misplaced or improperly destroyed because it did not actively apply a records disposition schedule, it lacked internal policies, and its employees received insufficient training. Additionally, we learned that OHF did not treat emails as records as required by National Archives and Records Administration and U.S. Department of Housing and Urban Development (HUD) policies. Finally, OHF could not provide some documents we requested as part of our evaluation. OHF risks not being able to retrieve all records needed for legal or administrative procedures if it does not address these issues.

We also observed that HUD's records management training content was vague and did not cover Federal records requirements. After taking the training, an employee would not have learned how to properly identify, maintain, and archive Federal records.

### Recommendations

We recommend that the Director of OHF (1) develop internal written procedures for records management and (2) ensure that personnel preparing records for archiving are trained to perform this function and aware of all relevant records disposition schedules and policies.

We also recommend that the chief learning officer, in consultation with the Office of Digital Enterprise, offer records management training that incorporates Federal and departmental records management policies and employee records management responsibilities.

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# Background

## The Office of Hospital Facilities

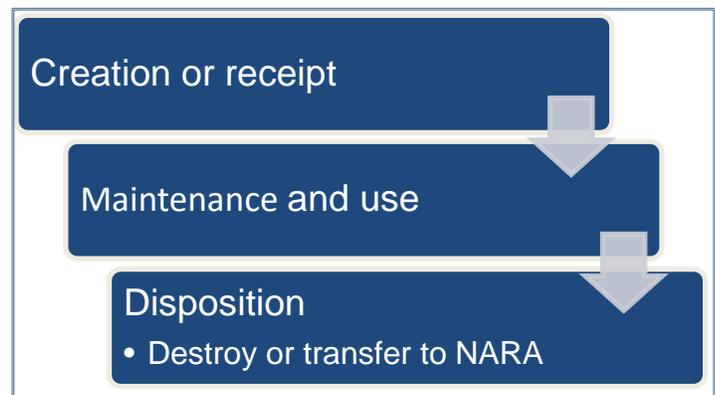
The U.S. Department of Housing and Urban Development (HUD), Office of Hospital Facilities (OHF), part of the Office of Healthcare Programs within the Office of Housing (Housing), administers the Section 242 program. Section 242 of the National Housing Act authorizes mortgage insurance for acute care hospital facilities, ranging from large teaching institutions to small rural critical access hospitals. HUD provides this mortgage insurance to private lenders to ensure that adequate mortgage capital is available for hospitals. OHF's insurance reduces risk to lenders and lowers borrowing costs for hospitals. OHF has insured hospital mortgages, ranging from \$2 million to \$755 million. As of May 2016, the unpaid principal balance for its 105 insured hospital mortgages was approximately \$7 billion.

OHF collects and generates many records to support its decision on whether to insure a hospital's mortgage. These documents include application materials, internal reports, and correspondence. For example, lenders applying for mortgage insurance must submit 3 volumes containing 43 documents, which may total hundreds of pages.

## Records Management

Records are the foundation of open government, supporting the principles of transparency, participation, and collaboration. Well-managed records can be used to assess the impact of programs, improve business processes, and share knowledge across the Government. Additionally, records protect the rights and interests of people and hold officials accountable for their actions. Federal law defines records as all recorded information, regardless of form or characteristics, made or received by a Federal agency as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the United States Government or because of the informational value of data in them.<sup>1</sup> Figure 1 lists the three stages of the records life cycle.

Figure 1 – The records life cycle



The National Archives and Records Administration (NARA) is the Federal agency that oversees the management of all Federal records. Federal law requires the head of each agency to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency.<sup>2</sup> These

<sup>1</sup> See 44 U.S.C. (United States Code) 3301 for the full definition.

<sup>2</sup> 44 U.S.C. 3101

records include records created or received on electronic mail systems.<sup>3</sup> All Federal records must be governed by a schedule, which provides mandatory instructions for the disposition of the records (including the transfer of permanent records to NARA and disposal of temporary records) when they are no longer needed by an agency. Record disposition schedules are created by agencies and must be approved by NARA.

HUD's departmental records officer is located in Office of Digital Enterprise, Electronic Records Management Division (ERMD). ERMD's role is to ensure that records are properly documented and preserved and records no longer needed are properly destroyed or archived. ERMD also maintains and enforces records disposition schedules. During our evaluation, ERMD was revising all HUD records schedules, including OHF's, and anticipated submitting its draft for NARA's approval by the end of fiscal year 2016. It might take up to a year to obtain NARA's approval.

Until a new schedule is approved, OHF's records are governed by Records Disposition Schedule 10: Records Relating to Multifamily Insured Programs. Schedule 10 requires OHF to preserve records for periods ranging from 3 years from the creation of the material to 6 years after HUD ceases to have liability in the project.

## OHF Risks the Loss of Records Due to Its Records Management Practices

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OHF relied on its employees' personal judgement of which records to retain for its business needs or to document the legitimacy of an underwriting decision. While OHF may have retained many required records with its current practices, records collected or generated by OHF could have been misplaced or improperly destroyed because its staff did not knowingly apply Schedule 10, it lacked internal policies, and its employees received insufficient training. For example, we learned that OHF did not treat emails as records as required by NARA and HUD policies. Finally, OHF could not provide some records we requested as part of our evaluation. OHF risks not being able to retrieve all necessary records needed for legal or administrative procedures if it does not address these issues.

### OHF Did Not Follow a Records Schedule

For day-to-day activities, OHF employees stored materials on their computers' hard drives, a shared network drive, or a SharePoint site or as personal hardcopy files. Once OHF completed the underwriting process, employees placed documents on a shared network drive or a SharePoint site or gave them to the underwriting director. Also, the lead underwriter may have kept documents. OHF did not have internal guidance identifying the specific records to be maintained. In general, the focus for records management was on documents generated for the closing process, and those records created during underwriting were not always considered for archiving.

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<sup>3</sup> 36 CFR (Code of Federal Regulations) 1222.24(a)

A financial analyst acted as an ad hoc records custodian. He prepared OHF's records for archiving after a project closed. This role evolved over time and was not officially designated. At times, other individuals placed underwriting and closing documents into boxes for archiving. For example, the analyst was not aware of all underwriting documents or whether others had put documents into boxes for storage.

More recently, an OHF manager asked the analyst to review paper files and send them to Housing's archives. The financial analyst informed us that he did not apply a records schedule to his archiving efforts. He was initially unaware that a records schedule existed for OHF, telling us that an office manager should be hired to develop and follow a records schedule. When we showed him Schedule 10, he said he used it for labeling files. He also believed the Freedom of Information Act controlled how emails were retained and was not aware of the relevant NARA or HUD policies governing email retention.<sup>4</sup>

Documents the analyst said he included for archiving were (1) the application for mortgage insurance, (2) approval letters, (3) architecture documents, (4) the certification of project costs, (5) final closing documents, and (6) financial transaction records. The financial analyst's goal was to maintain documents, which showed that the underwriting was legitimate. After organizing records, the analyst sent them to Housing's chief records officer for long-term storage and eventual transmittal to NARA. While OHF may have retained many required records by its practices, it could have misplaced or improperly destroyed records because it did not apply Schedule 10.

OHF leadership believed the only records management training its staff received was from HUD Virtual University, an e-training site that offers records management training to all HUD employees. OHF staff members we talked with did not describe records management guidance or training provided by HUD or Housing beyond HUD Virtual University and the HUD handbook. According to Housing's chief records officer, HUD Virtual University training was not tailored to HUD components, nor was it complete. She said Housing was developing a new training course on records management, which would have modules that were more specific. The target date for completing the development of the training course is September 30, 2016.

## **OHF Did Not Treat Emails as Records**

Most communication among OHF, lenders, and hospitals was done via email. However, OHF did not consistently maintain these emails as required by NARA and HUD policies because it did not enforce the policies throughout the office. According to an OHF manager, email messages that contained questions and answers among OHF, the hospital, and the lender were not archived because he did not believe there was formal guidance that required the memorialization of major issues or their resolution. Additionally, the financial analyst who maintained OHF's records and prepared them for archiving was not sure whether an email retention policy existed and did not think training on this topic was available in HUD Virtual University.<sup>5</sup> One OHF team member said emails were all in one email system but was not sure how the system was archived. Another

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<sup>4</sup> See the next subsection for more information on email retention.

<sup>5</sup> As discussed in the next section, we reviewed HUD's records training content and found that it did not include Federal records management requirements.

employee stated that he printed out important emails and maintained them. When we asked Housing’s chief records officer why OHF employees were not aware of email retention requirements, she said HUD personnel overall were not aware of the email policies. According to NARA, all agency-administered email accounts are likely to contain Federal records.<sup>6</sup> Therefore, NARA requires agencies to have record-keeping requirements for records created or received on electronic mail systems.<sup>7</sup> Further, HUD’s email retention policy requires that records created or received on electronic mail systems be managed in accordance with NARA regulations.<sup>8</sup> Additionally, Schedule 10 states that correspondence pertaining to the production phase (underwriting) must be retained for 3 years after creation.<sup>9</sup> Without properly identifying which emails are records and determining how long to retain them, OHF risks not being able to retrieve records needed for legal or administrative procedures.

## OHF Could Not Produce Some Documents

OHF could not produce some records we requested as part of our evaluation. We chose a judgmental sample of eight hospitals. For each hospital, we asked for four types of documents that OHF collected or created during the underwriting process—credit memorandum, feasibility study, financial spreadsheet, and annual financial statements. As shown in figure 2, OHF could not produce one credit memorandum, seven financial spreadsheets, and one set of financial statements.

**Figure 2 – Was OHF able to supply records requested by OIG?**

	Credit memorandum	Feasibility study	Financial spreadsheet	Financial statements
St. Francis (original)	Yes	Yes	No	Yes
St. Francis (increase)	Yes	Yes	Yes	Yes
New Orleans	Yes	Yes	No	Not applicable
St. John’s	Yes	Yes	Yes	Yes
Lakeway	Yes	Yes	Yes	Not applicable
Capital Health	Yes	Yes	No	Yes
Bucyrus (original)	Yes	Yes	No	No
Bucyrus (increase)	Yes	No <sup>10</sup>	No	Yes
Baptist	No	Yes	No	Yes
New York Hospital - Queens	Yes	Yes	No	Yes

Because OHF did not identify how documents it generated or collected were governed by a specific records schedule, we could not determine whether the schedule was followed. However,

<sup>6</sup> NARA Bulletin 2014-06 – Guidance on Email Management

<sup>7</sup> 36 CFR 1222.24(a)

<sup>8</sup> 2400.1, REV-1, CHG-3, HUD Electronic Mail Policy, paragraph 7.4b

<sup>9</sup> 2225.6, REV-1, Records Disposition Schedule 10, item 1

<sup>10</sup> According to OHF, a feasibility study was not required in this instance.

our review of HUD's Schedule 10 related to hospitals led us to believe that documents, such as the credit memorandum and financial statements, were required to be maintained for 6 years past the life of the mortgage.<sup>11</sup> We were less certain about the requirements for financial spreadsheets, which were either to be maintained for 3 years after creation or for 6 years past the life of the mortgage.<sup>12</sup> When OHF could not produce all of the financial spreadsheets we requested, a manager noted that some of the requested financial spreadsheets were more than 10 years old and could not be located. While this was true, because OHF did not apply Schedule 10, it is unclear whether the financial spreadsheets were maintained for 3 years after creation and then destroyed or were, instead, misplaced at some unknown time. Additionally, these records may have been required to be maintained for 6 years past the life of the mortgage.

## HUD Planned Records Management Changes

In August 2012, the Office of Management and Budget (OMB) directed agencies to require electronic record keeping and demonstrate compliance with Federal records management statutes and regulations.<sup>13</sup> To meet this requirement, the departmental records officer, located in ERMD, was revising HUD's records management policies. Additionally, Housing was transitioning to an electronic records management system. The Office of Residential Care Facilities, another office within the Office of Hospital Programs, led the effort to transition records management to an electronic system. OHF intended to start this transition in June 2016. While the transition to an electronic system may help OHF more easily organize and retrieve documents, the office needs to first determine which records it generates or collects and must be maintained. Until this is done, OHF risks not digitizing and storing all relevant records.

## Recommendations

We recommend that the Director of the Office of Hospital Facilities

1. Develop internal written procedures for records management that
  - a. Identify materials OHF collects or generates, which meet the regulatory definition of a record;
  - b. Comply with Federal and departmental records management policies, to include appropriate records disposition schedules; and
  - c. Inform all personnel of their records management responsibilities.
2. Ensure that personnel preparing records for archiving are trained to perform this function and aware of all relevant records disposition schedules and policies.

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<sup>11</sup> 2225.6, REV-1, Records Disposition Schedule 10, item 7

<sup>12</sup> 2225.6, REV-1, Records Disposition Schedule 10, either item 2 or 4a

<sup>13</sup> OMB Memorandum M-12-8: Managing Government Records Directive

# HUD's Records Management Training Was Not Specific Enough To Be Useful

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NARA regulations require that agencies give guidance and training to all agency personnel on their records management responsibilities, including identification of Federal records, in all formats and media.<sup>14</sup> The Office of the Chief Human Capital Officer (OCHCO) offers records management training through HUD Virtual University. OCHCO records showed that 25 of the 26 OHF staff members attended records management training during fiscal years 2014 and 2015.

We reviewed the training content and found that it did not include Federal records management requirements. After taking the training, an employee would not have learned how to properly identify, maintain, and archive Federal records. For instance, the first section of the training, entitled “Record Retention Policies Overview,” did not mention HUD or Federal requirements and referred to the organization as a “company” with “corporate records.” When listing legal considerations, the training stated that the employee should be aware of laws and regulations, court decisions, and contract provisions, but the training did not list or explain laws or regulations. For example, it did not include the definition of a “record.” Finally, instead of giving instruction on HUD records management policies, the training asked employees to conduct research to learn which records should be retained and for how long. The training did not provide contact information or links to resources that would help employees research HUD records management policies.

## Recommendation

We recommend that the chief learning officer, in consultation with the Office of Digital Enterprise,

3. Offer records management training that incorporates
  - a. Federal and departmental records management policies, to include HUD's safeguards against the removal or loss of records and the penalties provided by law for the unlawful removal or destruction of records, and
  - b. Employee records management responsibilities, to include identification and maintenance of Federal records in all formats and media.<sup>15</sup>

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<sup>14</sup> 36 CFR 1220.34(f)

<sup>15</sup> Based on conversations about the draft report with HUD, we revised the language of recommendation 3 to include “in consultation with the Office of Digital Enterprise.” We also changed the action official from the Director of the Employee Development Division to the chief learning officer.

# Appendixes

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## Appendix A – Objectives, Scope, and Methodology

While researching OHF’s underwriting process, we found sufficient evidence of potential weaknesses in the storage of paper and electronic materials to warrant an evaluation of records management policies and practices within OHF. Our objectives were to determine whether (1) OHF maintained a records retention system that complied with applicable policies and (2) staff received required records training. We did not attempt to test the extent to which OHF records management practices resulted in the appropriate identification and retention or destruction of records.

To answer our objectives, we chose a judgmental sample of eight hospitals—based on the size and timeframe of their applications for mortgage insurance—to review the documents related to OHF’s underwriting decisions. From the judgmental sample, we interviewed eight OHF employees who were involved in the underwriting portion of one or more of the hospital applications. We reviewed OHF’s records management training content and records for fiscal years 2014 and 2015. Additionally, we interviewed

- HUD’s departmental records officer,
- Housing’s chief records officer, and
- OHF’s financial analyst, who acted as a records custodian on an ad hoc basis.

We reviewed applicable laws, regulations, and policies pertaining to records management, including those from NARA, OMB, and HUD. These documents included

- 44 U.S.C. 3101 – Records management by agency heads; general duties;
- 44 U.S.C. 3301 – Definition of records;
- 36 CFR 1220.1-1220.34 – Federal Records; General;
- 36 CFR 1222.1-1222.34 – Creation and Maintenance of Federal Records;
- NARA Bulletin 2014-06 – Guidance on Email Management;
- OMB Memorandum M-12-8: Managing Government Records Directive;
- HUD Handbook 2200.01, Chapter 11: Records and Files Management;
- HUD Records Disposition Schedules Handbook 2225.6, REV-1, Records Disposition; Schedule 10: Records Relating to Multifamily Insured Programs; and
- HUD Handbook 2400.1, REV-1, CHG-3, HUD Electronic Mail Policy, paragraph 7.4b

We conducted fieldwork from March to June 2016. We conducted this evaluation under the authority of the Inspector General Act of 1978, as amended, and in accordance with the Council of the Inspectors General on Integrity and Efficiency’s Quality Standards for Inspection and Evaluation (January 2012).

## Appendix B – Agency Comments and OIG Response

### Office of Healthcare Programs' Comments



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

SEP 02 2016

OFFICE OF HOUSING

MEMORANDUM FOR: Kathryn Saylor, Assistant Inspector General, Office of Evaluation (GAH)

FROM: Roger M. Lukoff, Acting Deputy Assistant Secretary for Healthcare Programs (HP)

SUBJECT: Office of Hospital Facilities' Response to HUD Office of Inspector General (Office of Evaluation) Report Titled "Records Management in the Office of Hospital Facilities Needs Improvement (2016-OE-0001)"

This memorandum contains the response to the recommendations within the OIG, Office of Evaluation, Report titled "Records Management in the Office of Hospital Facilities Needs Improvement". The Report contained three recommendations. This memorandum covers recommendation #1 and #2, which are particular to the Office of Hospital Facilities (OHF).

#### Introduction

The Office of Hospital Facilities (OHF) appreciates the observations and recommendations of the OIG's Office of Evaluation, and recognizes the effort invested in evaluating the program's underwriting process and records management policies. Regarding records management, OHF sees the Report's findings as an opportunity to make further improvements to the program, and ensure that Federal and departmental records management policies are followed.

OHF agrees with the Office of Evaluation's conclusions and recommendations. However, we would like to expand upon conclusions made on p2 and p3 of the report, stating that OHF's "focus for records management was on documents generated for the closing process", and "Documents...included for archiving were (1) the application for mortgage insurance, (2) approval letters, (3) architecture documents, (4) the certification of project costs, (5) final closing documents, and (6) financial transaction records."

On this point, OHF maintains critical underwriting documents, in addition to closing documents. These critical underwriting documents include, but are not limited to, the audited financial statements used during underwriting, official (written) correspondence outlining credit or policy concerns, financial feasibility studies justifying the application, and final Credit Reports that outline the strengths, risks, and financial position of proposed Borrowers. While OHF acknowledges that current practices are not sufficient to meet federal and departmental requirements, and that some critical documents may not have been maintained, we believe that current practices generate sufficient documentation to demonstrate that our underwriting decisions are legitimate and that we are responsible stewards of the public's trust.

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## Office of Healthcare Programs' Comments – Continued

### Reference to OIG Response

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Please find below our responses to the recommendations. Overall, OHF agrees with the recommendations. We have sought guidance from the Office of Healthcare Programs in developing this response and preparing written procedures. We also look forward to the Employee Development Division's revision of records management training, which may indicate the need for further enhancements to our internal written procedures.

To comply with all 3 recommendations, OHF will seek guidance from HUD's Departmental Records Officer, and will develop a management plan of action to share with the IG's Office of Evaluation 90 days following the publication of the final report.

### Comment 1

Recommendation 1a: Develop internal written procedures for records management that identify materials OHF collects or generates, which meet the regulatory definition of a record.

OHF agrees with the recommendation. We are aware that OHF's records are currently governed by Records Disposition Schedule 10 (Records Relating to Multifamily Insured Programs). Schedule 10 and other written procedures (to be drafted) will specify what materials OHF collects and generates that meets the regulatory definition of a record.

Recommendation 1b: Develop internal written procedures for records management that comply with Federal and departmental records management policies, to include appropriate records disposition schedules.

OHF agrees with the recommendation. OHF's completed guidance will comply with Federal and departmental records management policies. A records disposition schedule has been developed, and is currently under review by the Office of Housing.

### Comment 2

Recommendation 1c: Develop internal written procedures for records management that inform all personnel of their records management responsibilities.

OHF agrees with the recommendation, and acknowledges the need for practical, specific written procedures that inform staff and management of our responsibilities with regard to record retention. OHF will ensure that staff members are aware of Schedule 10 and the records disposition schedule.

Recommendation 2: Ensure that personnel preparing records for archiving are trained to perform this function and aware of all relevant records disposition scheduled and policies.

OHF agrees with the recommendation. Once written policies and procedures are developed, the documents will be distributed to staff members and training will be provided. Should new HUD-wide records management training be created, we will ensure that staff access or attend the training in accordance with the timelines for training completion established by HUD.

**OIG's Response to the Office of Healthcare Programs' Comments**

- Comment 1 The Office of Healthcare Programs (OHP) agreed with recommendation 1. OHF intends to draft procedures that will specify what materials it collects and generates that meet the definition of a record, comply with Federal and departmental records management policies, and inform all personnel of their records management responsibilities. OHF will seek guidance from HUD's departmental records officer and develop a plan to comply with this recommendation and share it with us 90 days after the publication of this report. These actions, once implemented, should comply with our recommendation. We look forward to reading OHF's action plan, which should include specific dates for completing these actions. Please provide the plan to us 90 days from the issuance of this report to your office.
- Comment 2 OHP agreed with recommendation 2. OHF intends to train all staff members on records management policies and procedures after they are developed. OHF will seek guidance from HUD's departmental records officer and develop a plan to comply with this recommendation and share it with us 90 days after the publication of this report. These actions, once implemented, should comply with our recommendation. We look forward to reading OHF's action plan, which should include specific dates for completing these actions. Please provide the plan to us 90 days from the issuance of this report to your office.

**Office of the Chief Human Capital Officer – No Comment**

OCHCO did not comment on the draft report but informed us that that it accepts recommendation 3 and will support the Office of Administration as it revises records management training. Within 90 days, please provide us with details on your proposed management decision as well as target dates for implementing corrective action.

## Office of Digital Enterprise's Comments

### Reference to OIG Response



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

OFFICE OF ADMINISTRATION

MEMORANDUM FOR: Kathryn Saylor, Assistant Inspector General, Office of Evaluation (GAH)

FROM: Dolores W. Cole,  Director of Digital Enterprise Group (DEG), Office of Administration

SUBJECT: Office of Hospital Facilities' Response to HUD Office of Inspector General (Office of Evaluation) Report Titled "Records Management in the Office of Hospital Facilities Needs Improvement"

### Comment 1

The Office of Administration agrees with recommendation 3 and will revise the records management training to incorporate Federal records management policies and employee responsibilities to include identification and maintenance of Federal Records in all formats and media. The training will also address safeguards against the removal or loss of records and the penalties applicable to unlawful removal or destruction of records.

The Office of the Chief Human Capital Officer will review the training material updates and assist with placing the training in HVU or other media as appropriate. The Office of Administration will work collaboratively with OHF and OIG through recommendation implementation.

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**OIG's Response to the Office of Digital Enterprise's Comments**

Comment 1 The Office of Administration will revise records management training to incorporate Federal records management policies and employee responsibilities that include identification and maintenance of Federal records in all formats and media. The training will also address safeguards against the removal or loss of records and the penalties applicable to unlawful removal or destruction of records. The Office of Administration will gain the assistance of OCHCO to place the revised records management training on HUD Virtual University. These actions, once implemented, should comply with our recommendation. Within 90 days, please provide us with details on your proposed management decision as well as target dates for implementing corrective action.

## Appendix C – List of Acronyms

<b>Acronym</b>	<b>Definition</b>
<b>CFR</b>	Code of Federal Regulations
<b>ERMD</b>	Electronic Records Management Division
<b>HUD</b>	U.S. Department of Housing and Urban Development
<b>NARA</b>	National Archives and Records Administration
<b>OCHCO</b>	Office of the Chief Human Capital Officer
<b>OHF</b>	Office of Hospital Facilities
<b>OMB</b>	Office of Management and Budget
<b>U.S.C.</b>	United States Code



The Office of Inspector General is an independent and objective oversight agency within the U.S. Department of Housing and Urban Development. We conduct and supervise audits, evaluations, and investigations relating to HUD's programs and operations. Our mission is to promote economy, efficiency, and effectiveness in these programs while preventing and detecting fraud, abuse, and mismanagement.

Report fraud, waste, and mismanagement in HUD programs and operations by

Faxing the OIG hotline: **202-708-4829**  
Emailing the OIG hotline: **hotline@hudoig.gov**

Sending written information to  
Department of Housing and Urban Development  
Inspector General Hotline (GFI)  
451 7th Street, SW Room 8254  
Washington, DC 20410

Internet  
<http://www.hudoig.gov/hotline/index.php>

INFORMATION IS CONFIDENTIAL, AND YOU MAY REMAIN ANONYMOUS



U.S. DEPARTMENT OF  
HOUSING AND URBAN  
DEVELOPMENT  
OFFICE OF EVALUATION  
**Program Evaluations Division**