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Congress of the United States

House of Representatives

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May 13, 2010

Robert M. Groves
Director
U.S. Census Bureau
4600 Silver Hill Road
Suitland, MD 20233

Dear Director Groves:

I am writing to bring to your attention an apparent error in the Census Bureau's reported data for state governments' finances, and to request answers about the Census Bureau's internal controls for data quality and verification.

The Census Bureau's website includes data from its 2008 Annual Survey of State Government Finances at www.census.gov/govs/state. Available for download is an Excel spreadsheet, labeled "Summary Table," that summarizes the state governments' finances.¹ Among other figures, the spreadsheet reports each state's insurance trust revenues, and it includes a total insurance trust revenue amount for all fifty state governments of approximately \$142 billion.² However, when the insurance trust revenue figures for each state are added together, the sum is only \$83 billion, which is \$59 billion less than the reported total. The Census Bureau appears, in other words, to have overstated the state governments' total insurance trust revenues by 70%.

The apparent error is reflected in the overall total revenue figure that is reported for all state governments. The spreadsheet reports this figure as approximately \$1.678 trillion.³ That number is higher – by the very same \$59 billion amount – than the sum of the state governments' individual total revenues.

The apparent error was discovered using the eXtensible Business Reporting Language (XBRL). This work was performed by Charles Hoffman, CPA, who is widely credited as the "father of XBRL," and is summarized on his blog.⁴ Mr. Hoffman used

¹ Spreadsheet, "State Government Finances: 2008," available at <http://www.census.gov/govs/state> (accessed May 11, 2010) (click on "Summary Table).

² *Id.* at cell B25 (reporting total insurance trust revenues for all state governments as \$141,939,425,000).

³ *Id.* at cell B8 (reporting total revenues for all state governments as \$1,677,951,192,000).

⁴ XBRL Business Information Exchange, "Example of XBRL's Ability to Detect Information Errors: US Census Data," April 30, 2010, at <http://http://xbrl.squarespace.com/journal/2010/4/30/example-of-xbrl-ability-to-detect-information-errors-us-cen.html>.

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off-the-shelf software to create a unique electronic label for each number in the Summary Table and business rules reflecting how those numbers were expected to add up. Once Mr. Hoffman had set up the labels and the mathematical relationships, he was able to run the spreadsheet through an automatic validation process, which instantly revealed that the state insurance revenue numbers did not add up to the Summary Table's reported total.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. In the light of the circumstances described above, please provide the following information as soon as possible, but in no case later than 5 pm EDT on Thursday, May 27, 2010:

1. Confirm whether the information reported in the Excel spreadsheet labeled "Summary Table" on the Census Bureau's state government finance website, at www.census.gov/govs/state, was inaccurate as of the date of this letter.
2. Summarize the process that the Census Bureau used to collect financial information from the states in the 2008 Annual Survey of State Government Finances.
3. Describe the data quality controls that were in place at the Census Bureau to ensure that the information reported by the 2008 Annual Survey of State Government Finances was accurate.
4. If the state insurance revenue numbers, and the total revenue numbers, in the Summary Table were indeed inaccurate as of the date of this letter, explain how the error occurred.
5. If the numbers were indeed inaccurate, state whether and when a corrected version of the Summary Table will be provided at www.census.gov/govs/state.
6. State whether the Census Bureau will consider adopting a validation process utilizing XBRL for state financial and similar data.

The accuracy of the Census Bureau's reported data should be unquestionable. I hope, therefore, that the Bureau will quickly determine whether there is indeed an error in the Bureau's summary of 2008 state financial information and, if so, take the necessary steps to prevent similar errors in the future. If you have any questions regarding this request, please direct them to Hudson Hollister at (202) 225-5074.

Sincerely,



Darrell Issa
Ranking Member

cc: The Honorable Edolphus Towns, Chairman