

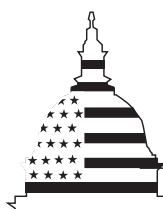
GAO

Report to the Chairman, Subcommittee
on Department Operations, Oversight,
Nutrition, and Forestry, Committee on
Agriculture, House of Representatives

September 1999

YEAR 2000
COMPUTING
CHALLENGE

Readiness of USDA
High-Impact Programs
Improving, But More
Action Is Needed



G A O

Accountability * Integrity * Reliability



United States General Accounting Office
Washington, D.C. 20548

**Accounting and Information
Management Division**

B-283524

September 30, 1999

The Honorable Bob Goodlatte
Chairman
Subcommittee on Department Operations,
Oversight, Nutrition, and Forestry
Committee on Agriculture
House of Representatives

Dear Mr. Chairman:

As you know, the Office of Management and Budget (OMB) issued guidance to federal agencies on March 26, 1999, for ensuring the Year 2000 readiness of 42 high impact federal programs that are critical to public health, safety, and well-being. (OMB later added a 43rd high impact program.) The Department of Agriculture (USDA) has lead responsibility for four of these high impact programs. USDA's Food and Nutrition Service (FNS) is the lead agency for three food assistance programs—Food Stamps; Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and Child Nutrition.¹ USDA's Food Safety Inspection Service (FSIS) is the lead agency for the Food Safety Inspection Program. At your request, we determined the actions being taken by USDA to ensure the Year 2000 readiness of its high impact food assistance and food safety programs.

On August 12, 1999, we provided a status briefing to your office on our observations of USDA's efforts through July 1999. This report provides a high-level summary of information presented at that briefing and presents recommendations for assisting USDA in strengthening the Year 2000 readiness efforts of its high impact programs. Prior to briefing your office, we briefed USDA's Undersecretary for Food, Nutrition and Consumer Services, Undersecretary for Food Safety, and the Chief Information Officer (CIO) on the results of our work. These officials agreed with our recommendations. Our briefing is reprinted in appendix I.

¹Child Nutrition includes programs such as National School Lunch Program, School Breakfast Program, Special Milk Program, Child and Adult Care Food Program, Summer Food Service Program, and Nutrition Education and Training Program.

Results in Brief

Although USDA's lead agencies have taken actions and made progress in ensuring the Year 2000 readiness of high impact programs assigned to them, FNS and FSIS still have a long way to go within the limited time remaining to fully meet their high impact program responsibilities. For example, the agencies have taken action to identify partners involved in delivering the high impact programs and to collect data on the Year 2000 readiness of these partners. However, when identifying partners, FSIS did not identify all federal agencies and foreign countries engaged in food safety. Therefore, the Year 2000 readiness of the safety of our nation's food supply may not be assured, especially since the Food Safety Inspection program is the only program on the Office of Management and Budget's (OMB) list of 43 that addresses food safety.

Moreover, much work remains because neither agency has defined the milestones for the following activities called for by OMB: (1) completing complementary business continuity and contingency plans, (2) publicly demonstrating the Year 2000 readiness of programs, and (3) developing a plan to ensure the programs will operate effectively. As a result, we recommend that USDA reach agreement with OMB officials on the necessary partners to ensure the Year 2000 readiness of the food safety high impact area and that USDA establish milestones for all of its remaining high impact program activities.

Background

OMB has identified 43 federal high impact programs critical to public health, safety and well-being. OMB requested each lead agency to identify and convene partners integral to program delivery, ensure that each partner has an adequate Year 2000 plan, develop a plan to ensure each program will operate effectively, and then jointly test that the federal programs will work. OMB also asked that lead agencies publicly demonstrate high impact program readiness by September 30, 1999.

To track progress, OMB required lead agencies to provide a schedule and milestones for key activities by April 15, 1999, and monthly status reports detailing progress against the schedule. OMB also provided a matrix to capture status information on partners for program delivery; key activities to convene those partners; and milestones for testing system operations between partners, completing complementary business continuity and contingency plans, and demonstrating Year 2000 readiness with a public program event.

Actions Being Taken by Lead Agencies to Ensure Year 2000 Readiness for USDA's High-Impact Programs

FNS and FSIS, the two lead agencies for USDA's high impact food safety and food assistance programs, are taking actions to fulfill the requirements established by OMB. For example, FNS—the lead agency for food stamps, WIC, and child nutrition—identified partners for these programs to be states with automated data processing systems and has its regions tracking the states' Year 2000 progress.² As of June 1999,³ the FNS regional offices reported

- 29 states had Year 2000 compliant food stamp programs,
- 35 states had Year 2000 complaint WIC programs, and
- 38 states had Year 2000 compliant child nutrition programs.

States that were not yet Year 2000 compliant reported that they expected to become compliant by the end of the year.

In addition, FNS asked its partners to provide written certifications that their systems are Year 2000 ready or to develop business continuity and contingency plans. At the end of our review, several states and territories had not yet provided either certification letters or business continuity and contingency plans and FNS determined that nearly all contingency plans it received lacked detail and, therefore, needed additional work. Also, FNS requested that 39 states and the District of Columbia, who currently use electronic benefit transfer (EBT) processes for program delivery, submit attestations by June 30, 1999, that their EBT systems are Year 2000 compliant. However, by the end of July, FNS had received attestations from only 10 states and the District of Columbia.⁴ FNS currently has a contractor reviewing Year 2000 design and test documentation for the three major EBT providers (Citibank, Deluxe Electronic Payment Systems, and Transactive Corporation) and expects to have results from the contractor in September 1999.

²This actually includes all 50 states, the District of Columbia (D.C.), and three territories—Guam, Puerto Rico, and the Virgin Islands.

³This is the latest data available from FNS.

⁴According to FNS, Colorado, Kentucky, Missouri, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Utah, and Vermont have provided attestations.

FSIS—the lead agency for food safety inspection—defined its leadership role as representing the food safety inspection area under its legislative authority (e.g., inspection activities for meat, poultry, and processed egg products). In doing so, the agency identified partners as those states with approval from FSIS to operate their own inspection programs. Twenty-five states fall into this category.⁵ In July, FSIS expanded its leadership role to include foods falling under the Food and Drug Administration's (FDA) legislative authority (e.g., domestic and imported foods, except meat, poultry, and processed egg products). FSIS now identifies FDA as a partner in its report to OMB.

To carry out its high impact responsibilities, in June 1999 FSIS surveyed the Year 2000 readiness of its 25 state food safety inspection partners. At that time, all 25 states reported they had a Year 2000 plan; 13 states reported they were Year 2000 ready; and 18 states reported that they had business continuity and contingency plans. Also, FSIS has begun collecting information from FDA on planned high impact program Year 2000 activities and milestones covering FDA regulated products.

FSIS Has Not Identified All Federal Agencies and Foreign Countries Involved in Food Safety as Partners

While FSIS identifies as its partners FDA and the 25 states with approval from FSIS to operate their own inspection programs, this may not be sufficient to ensure the Year 2000 readiness of the food safety area. According to OMB's list of 43 high impact programs, Food Safety Inspection is the only program addressing food safety. We reported in August 1998⁶ that in addition to FSIS and FDA, 10 other federal agencies share responsibility for food safety.⁷ FSIS has not included any of these other federal agencies as its partners.

According to FSIS officials, FDA is the only federal agency included as a partner because the two agencies—FSIS and FDA—are the only ones with

⁵In states that do not have approved inspection programs, FSIS performs all inspections.

⁶*Food Safety: Opportunities to Redirect Federal Resources and Funds Can Enhance Effectiveness* (GAO/RCED-98-224, Aug. 6, 1998).

⁷The 10 federal agencies include Centers for Disease Control and Prevention; Animal and Plant Health Inspection Service; Grain Inspection, Packers, and Stockyards Administration; Agricultural Marketing Service; Agricultural Research Service; National Marine Fisheries Service; Environmental Protection Agency; Federal Trade Commission; U.S. Customs Service; and Bureau of Alcohol, Tobacco, and Firearms.

direct responsibility for food safety inspections. However, FSIS had not discussed and reached agreement with OMB on whether this is sufficient to ensure the readiness of food safety or whether additional partners should be identified. FSIS officials noted that while the agency had not included as partners other federal agencies with food safety responsibilities, FSIS was obtaining information on Year 2000 activities from the Centers for Disease Control and Prevention and the Animal and Plant Health Inspection Service. However, FSIS said it did not plan to contact or include as partners any of the remaining eight agencies we identified as involved in food safety.

Moreover, FSIS had not identified as partners those 36 countries with approval from FSIS to inspect meat and poultry products exported to the United States. While FSIS had not included these 36 foreign countries as partners, it (1) discussed with FDA and USDA's Foreign Agricultural Service the need to contact foreign countries, (2) found that other federal agencies, including the Foreign Agricultural Service, had already been collecting Year 2000 information from foreign countries, and (3) determined that it could not use information already collected by other agencies to assess the food safety readiness of the 36 countries. Therefore, FSIS planned to send a letter to the countries to obtain information on their Year 2000 readiness with respect to food safety.

Milestones for High Impact Activities to Ensure Year 2000 Readiness Have Not Yet Been Defined

FNS and FSIS have not yet defined milestones for completing activities to ensure the Year 2000 readiness of their respective high impact programs. Specifically, neither agency had yet established milestones for (1) completing complementary business continuity and contingency plans with partners, (2) demonstrating readiness with a program event, and (3) developing a plan to ensure the program will operate effectively. While FNS has not defined milestones for developing such a plan, the agency was drafting a strategy for state Year 2000 activities to be undertaken through the end of the calendar year.

Also, neither agency included milestones for testing system operations between partners. FNS said it had no plans to do joint testing because it is testing its own internal systems, while FNS' partners are responsible for testing their own systems. Additionally, FNS and its partners each test their own data interfaces. At the time of our review, FNS had not verified its partners' readiness by reviewing test results or obtaining an independent review of program readiness.

FSIS said it had no plans to do joint testing because the agency had already tested its own systems and FSIS does not have electronic data interchanges with partners. Like FNS, at the time of our review, FSIS had not verified its partners' readiness by reviewing their test results or obtaining an independent review of program readiness. FSIS emphasized though, that while it had not verified the overall readiness of its partners, it had verified Year 2000 compliance for a major application used by state partners in their inspection process.

Conclusions

Overall, USDA's lead agencies have made progress in ensuring the Year 2000 readiness of high impact programs, but they have a long way to go within the limited time remaining to fully accomplish the high impact goals assigned by OMB. Because FSIS has not included as partners those federal agencies and foreign countries having food safety responsibilities for our nation's food supply, Year 2000 readiness for food safety may not be assured. Also, neither agency has established milestones for (1) completing complementary business continuity and contingency plans with partners, (2) demonstrating readiness with a public program event, and (3) developing a plan to ensure that programs can continue to operate in the event of Year 2000 problems.

Recommendations

We recommend that the Secretary of Agriculture direct that

- USDA's Undersecretary for Food Safety and CIO reach agreement with OMB on which federal agencies and foreign countries should be partners in helping to ensure the Year 2000 readiness of the food safety high impact area and
- USDA's Undersecretaries for Food, Nutrition and Consumer Services and for Food Safety, in conjunction with the CIO, establish specific milestones to (1) complete complementary business continuity and contingency plans, (2) demonstrate readiness with a program event, and (3) develop an overall plan to ensure Year 2000 readiness for each program, and then report regularly to the Secretary on progress made to meet these recommendations.

Prior to our briefing to your office, we provided a copy of the briefing materials to USDA's Undersecretary for Food, Nutrition and Consumer Services; Undersecretary for Food Safety; and CIO. These officials agreed

with our recommendations and we have incorporated their comments as appropriate.

Objective, Scope, and Methodology

As requested, our objective was to determine actions being taken by USDA to ensure the Year 2000 readiness of high impact food assistance and food safety programs. To do this, we reviewed OMB and USDA Year 2000 high impact guidance and discussed how this guidance was being implemented with FNS and FSIS officials and with USDA Year 2000 program officials in USDA's CIO office. To determine the reported status of agency actions—such as identifying and convening partners, assessing partner readiness, and establishing business continuity and contingency plans—as well as other steps necessary to ensure the continuation of the high impact programs beyond the Year 2000, we reviewed USDA planning documents, status reports, and other information collected by FNS and FSIS for each high impact program area.

We also reviewed surveys and contractor reports on Year 2000 readiness activities of key FNS and FSIS program partners and discussed Year 2000-related food safety activities with FDA officials. In addition, we compared the information we collected with OMB and departmental guidance to determine the agencies' progress in meeting their overall high impact program objectives. We did not independently verify reported status information.

We conducted our review from May 1999 through July 1999 in accordance with generally accepted government auditing standards. Our work was done at headquarters offices of USDA's FNS and FSIS, and USDA's Office of the Chief Information Officer in Washington, D.C.; FDA headquarters offices in Washington D.C.; and FNS offices in Alexandria, Virginia.

We are providing copies of this report to Representative Eva Clayton, Ranking Minority Member, Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, House Committee on Agriculture. We are sending copies to Senators Richard Lugar, Chairman, and Tom Harkin, Ranking Minority Member, Senate Committee on Agriculture, Nutrition, and Forestry; Senators Robert Bennett, Chairman, and Christopher Dodd, Ranking Minority Member, Senate Special Committee on the Year 2000 Technology Problem; Representatives Larry Combest, Chairman, and Charles Stenholm, Ranking Minority Member, House Committee on Agriculture; and Representatives Steven Horn, Chairman, and Jim Turner,

Ranking Minority Member, Subcommittee on Government Management, Information and Technology, House Committee on Government Reform. We are also sending copies to the Honorable Daniel R. Glickman, Secretary of Agriculture; the Honorable Donna Shalala, the Secretary of Health and Human Services; the Honorable Jane Henney, Commissioner of the Food and Drug Administration; and the Honorable Jacob Lew, Director, Office of Management and Budget; and other interested parties. Copies will be made available to others upon request.

If you have any questions on matters discussed in this letter, please call me at (202) 512-6408 or Stephen A. Schwartz, Senior Assistant Director at (202) 512-6213. Key contributors to this assignment were Seth Goodman, Troy Hottovy, Heather McIntyre, and Mark Shaw.

Sincerely yours,

A handwritten signature in cursive script that reads "Joel Willemsen".

Joel C. Willemsen
Director, Civil Agencies
Information Systems

Briefing to the Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, House Committee on Agriculture

GAO

Accounting and Information
Management Division



Observations on Readiness of USDA's Year 2000 High Impact Programs

House Committee on Agriculture
Subcommittee on Department Operations,
Oversight, Nutrition, and Forestry

August 12, 1999

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GAO Purpose

- Brief requestor and USDA on our observations of department's efforts through July 1999 as lead agency for assuring Year 2000 readiness for food safety inspection and food assistance programs
 - We performed our work at USDA headquarters offices in the Washington D.C. area from May through July 1999 in accordance with generally accepted government auditing standards
 - Outline of briefing:
 - Background
 - Summary
 - Status of High Impact Food Assistance Efforts for
 - Food Stamps
 - Child Nutrition
 - Supplemental Nutrition Program for Women, Infants, and Children (WIC)
 - Status of High Impact Food Safety Inspection Efforts
 - Conclusions
 - Recommendations
-

GAO Background

- On March 26, 1999, OMB issued memorandum 99-12 on “Assuring the Year 2000 Readiness of High Impact Federal Programs” critical to public health, safety, and well-being
- OMB identified 43 high impact federal programs and assigned USDA to lead 4 of these
 - 1) Food Stamps
 - 2) Child Nutrition
 - 3) WIC
 - 4) Food Safety Inspection
- USDA’s
 - Food and Nutrition Service (FNS) is lead agency for three food assistance programs--food stamps, child nutrition, and WIC
 - Food Safety Inspection Service (FSIS) is lead agency for food safety inspection program



Background (Cont'd)

- OMB expects lead federal agencies to take leadership role to ensure high impact programs will work and noted that this effort
 - goes beyond determining whether or not specific systems and data exchanges will work
 - is intended to ensure agencies comprehensively review how high impact programs function from end-to-end by focusing on relationships with providers of key services

- OMB requested each lead agency to:
 - identify partners integral to program delivery
 - take leadership role in convening those partners
 - assure each partner has adequate Y2K plan
 - develop a plan to ensure program will operate effectively
 - jointly test that federal program will work



Background (Cont'd)

- OMB asked that lead agencies publicly demonstrate high impact program readiness by September 30, 1999
- To track progress, OMB required lead agencies to provide
 - schedule and milestones for key activities by April 15, 1999
 - monthly status reports detailing progress against schedule
- OMB provided matrix to capture following status information
 - partners for program delivery
 - list of key activities to convene partners
 - milestones for
 - testing system operations between partners
 - completing complementary business continuity and contingency plans
 - demonstrating readiness with a public program event

GAO Summary

- USDA's lead agencies
 - have made progress in assuring Y2K readiness of high impact programs assigned to it by OMB
 - have a long way to go within time remaining to fully accomplish high impact goals
- As of late July 1999,
 - FSIS has not identified as partners all federal agencies and foreign countries engaged in food safety
 - FNS and FSIS had not yet defined the milestones for the following called for by OMB
 - completing complementary business continuity and contingency plans
 - demonstrating readiness with public program event
 - developing a plan to ensure program will operate effectively

GAO Status of High Impact Food Assistance Programs Effort

- FNS officials told us that in carrying out responsibilities assigned to it by OMB for food stamps, WIC, and child nutrition, they
 - identified partners to be states with automated data processing systems
 - rely on FNS regional offices to monitor states' Y2K progress
- As of end of June 1999*, states reported following to regions:

Status of States Y2K Readiness			
	Food Stamps	WIC	Child Nutrition
Y2K Compliant	29	35	38*
Compliant 3 rd Q '99	21	12	9
Compliant 4 th Q '99	4	7	6

*one state reports it will be compliant in June 1999, even though that date passed
 [See Appendix I, Table of state-by-state Y2K readiness]

*Latest data available for FNS

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Status of High Impact Food Assistance Programs Effort (Cont'd)

- FNS officials said that they have also asked states to
 - provide written certifications their systems are Y2K-ready
 - develop business continuity and contingency plans
- In June 1999, FNS asked regions to provide copy of state's letter certifying programs are compliant or contingency plans
 - FNS reported as of the end of July it had received Y2K certification letters from
 - 19 states/territories/D.C. certifying food stamp program
 - 28 states/territories/D.C. certifying WIC program
 - 18 states/territories certifying child nutrition program
 - FNS reported as of the end of July it received contingency plans from
 - 14 states/territories/D.C. for food stamps
 - 24 states/territories for WIC
 - 6 states/D.C. for child nutrition

[See Appendix II, table of state-by-state status to provide letters or plans]



Status of High Impact Food Assistance Programs Effort (Cont'd)

- FNS officials gave following reasons why they have not received more letters/plans from states
 - for certification letters, some states reluctant to submit such letters given possible liability issues should systems fail
 - for contingency plans, they did not know if requirements to complete such plans were communicated by regions to all states
- In June, FNS reviewed contingency plans it had received, and a June 18th FNS document summarizing this review noted that “all need work”
 - FNS sent more guidance to states on preparing such plans
 - FNS did not provide deadline for when states should complete plans
- In July, FNS told us two states (Texas and New Hampshire) submitted more comprehensive plans



Status of High Impact Food Assistance Programs Effort (Cont'd)

- Another activity FNS has underway is that it has requested the 39 states and District of Columbia using electronic benefit transfer (EBT) processes to submit attestations by June 30, 1999 that their EBT systems are Year 2000 compliant
 - As of the end of July, FNS said it had received attestations from only 10 of the 39 states and District of Columbia with EBT systems
 - Colorado; Kentucky; Missouri; New Hampshire; New Jersey; Ohio; Pennsylvania; Rhode Island; Utah; and Vermont have provided attestations
- [See Appendix III, list of 39 states and District of Columbia that have EBT systems]
- FNS has a contractor reviewing Year 2000 design and test documentation for the three major EBT providers (Citibank, Deluxe Electronic Payment Systems, and Transactive Corporation)
 - FNS expects to have the results from the contractor in early September 1999



Status of High Impact Food Assistance Programs Effort (Cont'd)

- FNS has a contractor providing Y2K technical assistance to selected states
 - initially selected 20 states, 2 territories and the District of Columbia for contractor visits to provide technical assistance for one or more programs
 - states were selected if the
 - state did not plan to be compliant until last quarter of 1999,
 - state reported little or no progress to date on Y2K work, and/or
 - FNS regional office specifically requested contractor to make a visit
 - areas of technical assistance provided at each state are determined by regional offices on state-by-state basis and can include
 - project management
 - hardware/software testing
 - contingency planning



Status of High Impact Food Assistance Programs Effort (Cont'd)

- As of July 9th, FNS officials said that 16 states had been visited by the contractor for at least one program
 - contractor provides states with findings and recommendations for improvements to their Y2K programs
 - FNS had no plans to follow-up with states on status of implementing recommendations
- FNS is now developing a strategy to have the contractor review contingency plans from states that were not compliant by July 31



Status of High Impact Food Assistance Programs Effort (Cont'd)

- FNS had not yet established milestones for
 - completing complementary business continuity and contingency plans with partners
 - demonstrating readiness with a program event
 - developing a plan to ensure program will operate effectively
 - FNS is currently drafting a strategy for state Y2K activities between now and the end of the calendar year
- Regarding testing system operations between partners, FNS says it has no plans to do joint testing because
 - FNS is testing its own internal systems, where some re-testing is needed due to shift to new telecommunications service provider
 - FNS' partners are responsible for testing their own systems
 - FNS and its partners each test their own data interfaces
- FNS had not verified its partners' readiness by reviewing test results or obtaining independent review of program readiness



Status of High Impact Food Safety Inspection Program Effort

- FSIS officials told us that in carrying out responsibilities assigned to it by OMB for food safety inspection they
 - defined their leadership role to represent food safety inspection area under FSIS’ legislative authority (e.g., inspection activities for meat, poultry, and processed egg products moving in interstate and foreign commerce)
 - in doing so, FSIS identified partners as those states with approval from FSIS to operate their own inspection programs (25 states fall in this category, while FSIS performs all inspections at remaining states)
 - expanded this role in July to include food safety inspection for foods falling under the Food and Drug Administration’s (FDA) legislative authority (e.g., domestic and imported foods, except meat, poultry, and processed egg products)
 - FSIS also now identifies FDA as a partner in its report to OMB



Status of High Impact Food Safety Inspection Program Effort (Cont'd)

- Although food safety inspection program is the only program on OMB's list of 43 addressing food safety, FSIS has not included any of the other federal agencies with food safety responsibilities as partners
 - GAO reported in August 1998* that besides FSIS and FDA, there were 10 other federal agencies that share responsibility for food safety
 - Centers for Disease Control and Prevention
 - Animal and Plant Health Inspection Service
 - Grain Inspection, Packers, and Stockyards Administration
 - Agricultural Marketing Service
 - Agricultural Research Service
 - National Marine Fisheries Service
 - Environmental Protection Agency
 - Federal Trade Commission
 - U.S. Customs Service
 - Bureau of Alcohol, Tobacco, and Firearms
 - FSIS has not included the other federal agencies because, according to FSIS officials, only FSIS and FDA have direct responsibility for food safety inspections

*Food Safety: Opportunities to Redirect Federal Resources and Funds Can Enhance Effectiveness (GAO/RCED-98-224, Aug. 6, 1998)



Status of High Impact Food Safety Inspection Program Effort (Cont'd)

- Although FSIS does not include them as partners, FSIS says it is obtaining information on Y2K activities from
 - Centers for Disease Control and Prevention
 - Animal and Plant Health Inspection Service

- However, FSIS says it did not plan to contact or include the following agencies involved in food safety
 - Grain Inspection, Packers, and Stockyards Administration
 - Agricultural Marketing Service
 - Agricultural Research Service
 - National Marine Fisheries Service
 - Environmental Protection Agency
 - Federal Trade Commission
 - U.S. Customs Service
 - Bureau of Alcohol, Tobacco, and Firearms

GAO **Status of High Impact Food Safety**
Inspection Program Effort (Cont'd)

- Moreover, FSIS has not identified as partners those 36 countries with approval from FSIS to inspect meat and poultry products exported to the U.S.
- While FSIS has not included these 36 foreign countries as partners, FSIS
 - discussed with FDA and USDA's Foreign Agricultural Service (FAS) need to contact foreign countries
 - found that other federal agencies, including FAS, have already been collecting Y2K information from foreign countries
 - determined that information already collected by other agencies cannot be used by FSIS to assess food safety readiness of the 36 countries
 - therefore, FSIS plans to send a letter to the countries to obtain information on Y2K readiness with respect to food safety

GAO Status of High Impact Food Safety Inspection Program Effort (Cont'd)

- In June 1999* FSIS surveyed Y2K readiness of its 25 state food safety inspection partners
 - all reported to have a Y2K plan
 - 13 states reported they were already Y2K-ready
 - 18 states reported they have contingency plans

[See appendix IV, table of 25 states' Y2K readiness]
- FSIS has also established plans and milestones to
 - discuss status of Y2K readiness with 25 states
 - share Y2K planning guidance/materials with states and industry
- FDA reported to FSIS that it
 - has held Y2K roundtable discussions with trade groups
 - is collecting information on Y2K readiness from manufacturers, processors, and distributors

*Latest data available from FSIS

GAO Status of High Impact Food Safety Inspection Program Effort (Cont'd)

- FSIS had not yet established milestones for
 - completing complementary business continuity and contingency plans with partners
 - demonstrating readiness with a program event
 - developing a plan to ensure program will operate effectively
- Regarding testing system operations between partners, FSIS says it has no plans to do joint testing because
 - FSIS has already tested its own systems
 - FSIS does not have electronic data interchanges with partners
- FSIS had not verified its partners' readiness by reviewing their test results or obtaining independent review of program readiness. However, FSIS said it had verified Y2K compliance for a major application developed by FSIS and used by state partners in their inspection process

GAO Conclusions

- Overall, USDA's lead agencies have made progress in assuring Y2K readiness of high impact programs, but have a long way to go within the limited time remaining to fully accomplish high impact goals assigned by OMB
- Role defined by FSIS may not result in it fully assuring Y2K readiness for food safety, since FSIS has not included as partners those federal agencies and foreign countries having food safety responsibilities for our nations food supply
- Further, neither agency has established milestones for
 - completing complementary business continuity and contingency plans with partners
 - demonstrating readiness with program event
 - developing a plan to ensure that programs can continue to operate in event of Year 2000 problems



Recommendations

- We recommend that the Secretary of Agriculture direct that
 - USDA's Undersecretary for Food Safety and CIO reach agreement with OMB on which federal agencies and foreign countries should be partners in helping to assure the Year 2000 readiness of the food safety high impact area
 - USDA's Undersecretary for Food, Nutrition, and Consumer Services and Undersecretary for Food Safety, in conjunction with the CIO,
 - establish specific milestones to
 - complete complementary business continuity and contingency plans
 - demonstrate readiness with a program event
 - develop overall plan to ensure Y2K readiness of program
 - report regularly to USDA's Secretary on progress on meeting these recommendations

Appendix I
Briefing to the Subcommittee on Department
Operations, Oversight, Nutrition, and
Forestry, House Committee on Agriculture

Appendix I to Slides

**Status of Year 2000 Readiness in 50 States, District of
Columbia, and Territories for Three Food Assistance
Programs—Food Stamps, WIC, and Child Nutrition¹**

(✓- indicates states that are Y2K compliant)

State	Food Stamps	WIC	Child Nutrition
Alabama	September 1999	November 1999	August 1999
Alaska	✓	✓	✓
Arizona	✓	✓	✓
Arkansas	July 1999	✓	July 1999
California	September 1999	✓	✓
Colorado	✓	✓	✓
Connecticut	✓	✓	✓
Delaware	✓	✓	✓
Florida	✓	✓	✓
Georgia	September 1999	December 1999	✓
Hawaii	✓	✓	✓
Idaho	✓	October 1999	✓
Illinois	August 1999	July 1999	✓
Indiana	✓	August 1999	✓
Iowa	✓	November 1999	✓
Kansas	August 1999	✓	✓
Kentucky	✓	✓	✓
Louisiana	July 1999	October 1999	December 1999
Maine	✓	July 1999	✓
Maryland	✓	✓	July 1999
Massachusetts	July 1999	✓	✓
Michigan	August 1999	✓	✓
Minnesota	August 1999	✓	✓
Mississippi	✓	✓	October 1999
Missouri	August 1999	July 1999	October 1999
Montana	August 1999	✓	✓
Nebraska	✓	✓	December 1999
Nevada	✓	✓	August 1999
New Hampshire	October 1999	August 1999	✓
New Mexico	✓	✓	July 1999

Appendix I
Briefing to the Subcommittee on Department
Operations, Oversight, Nutrition, and
Forestry, House Committee on Agriculture

Appendix I to Slides

State	Food Stamps	WIC	Child Nutrition
New Jersey	✓	✓	✓
New York	✓	✓	✓
North Carolina	December 1999	September 1999	✓
North Dakota	✓	September 1999	✓
Ohio	September 1999	July 1999	July 1999
Oklahoma	November 1999	November 1999	✓
Oregon	✓	✓	October 1999
Pennsylvania	✓	✓	✓
Rhode Island	July 1999	✓	✓
South Carolina	July 1999	✓	August 1999
South Dakota	✓	July 1999	✓
Tennessee	✓	✓	✓
Texas	August 1999	✓	August 1999
Utah	July 1999	July 1999	November 1999
Vermont	✓	✓	✓
Virginia	✓	✓	✓
Washington	✓	✓	July 1999
West Virginia	July 1999	July 1999	✓
Wisconsin	✓	✓	✓
Wyoming	✓	✓	June 1999
Total States	29	33	34
District of Columbia	August 1999	✓	✓
Guam	September 1999	October 1999	✓
Puerto Rico	August 1999	July 1999	✓
Virgin Islands	November 1999	✓	✓
Total Other	0	2	4
TOTAL COMPLIANT (ALL)	29	35	38

¹Information reported by the states to FNS as of the end of June 1999 (Year 2000 (Y2K) Progress Report: Status of Food and Nutrition Service Y2K Efforts, July 1999).

**Appendix I
Briefing to the Subcommittee on Department
Operations, Oversight, Nutrition, and
Forestry, House Committee on Agriculture**

Appendix II to Slides

**Status of 50 States, District of Columbia, and Territories to
Provide Letter Certifying Year 2000 Readiness and/or Business
Continuity and Contingency Plan for Three Food Assistance
Programs—Food Stamps, WIC, and Child Nutrition¹**

(✓ indicates states that have submitted a certification letter and/or contingency plan)

State	Food Stamps		WIC		Child Nutrition	
	Certification Letter	Contingency Plan	Certification Letter	Contingency Plan	Certification Letter	Contingency Plan
Alabama		✓		✓		
Alaska		✓	✓	✓		
Arizona	✓		✓	✓	✓	
Arkansas			✓	✓	✓	
California		✓	✓			
Colorado			✓			
Connecticut	✓		✓			✓
Delaware			✓		✓	
Florida	✓		✓		✓	
Georgia		✓		✓	✓	
Hawaii			✓			
Idaho	✓		✓		✓	
Illinois						
Indiana		✓		✓		
Iowa		✓				
Kansas			✓			
Kentucky	✓		✓		✓	
Louisiana				✓		✓
Maine	✓			✓		✓
Maryland	✓			✓		
Massachusetts			✓			
Michigan			✓			
Minnesota					✓	
Mississippi	✓		✓			
Missouri				✓		
Montana			✓			
Nebraska			✓			

**Appendix I
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State	Food Stamps		WIC		Child Nutrition	
	Certification Letter	Contingency Plan	Certification Letter	Contingency Plan	Certification Letter	Contingency Plan
Nevada	✓					
New Hampshire		✓		✓	✓	
New Mexico	✓	✓	✓	✓		
New Jersey				✓		✓
New York	✓		✓		✓	
North Carolina						
North Dakota	✓		✓	✓		
Ohio						
Oklahoma				✓	✓	
Oregon	✓			✓		
Pennsylvania	✓			✓	✓	✓
Rhode Island						
South Carolina		✓	✓			
South Dakota				✓		
Tennessee			✓			
Texas		✓	✓	✓	✓	
Utah				✓		
Vermont	✓		✓	✓	✓	
Virginia	✓					
Washington	✓		✓			
West Virginia				✓	✓	
Wisconsin		✓			✓	
Wyoming			✓			
Total States	17	11	26	22	16	5
District of Columbia	✓	✓	✓			✓
Guam		✓		✓		
Puerto Rico	✓	✓		✓	✓	
Virgin Islands			✓		✓	
Total Other	2	3	2	2	2	1
TOTAL ALL	19	14	28	24	18	6

¹Information provided by FNS officials that was reported by the states as of the end of July 1999.

**Appendix I
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Appendix III to Slides

**List of the 39 States and District of Columbia That Have
Implemented and Use Electronic Benefit Transfer (EBT)
Systems to Deliver the Food Stamp Program¹**

STATE	Status of EBT Implementation	STATE	Status of EBT Implementation
Alabama	Statewide	Missouri	Statewide
Alaska	Statewide	New Hampshire	Statewide
Arizona	Statewide	New Jersey	Statewide
Arkansas	Statewide	New Mexico	Statewide
California	2 Counties	New York	Expanding in New York City
Colorado	Statewide	North Carolina	Statewide
Connecticut	Statewide	North Dakota	Statewide
District of Columbia	District-wide	Ohio	Statewide
Florida	Statewide	Oklahoma	Statewide
Georgia	Statewide	Oregon	Statewide
Hawaii	Statewide	Pennsylvania	Statewide
Idaho	Statewide	Rhode Island	Statewide
Illinois	Statewide	South Carolina	Statewide
Iowa	1 County	South Dakota	Statewide
Kansas	Statewide	Tennessee	Statewide
Kentucky	4 Counties	Texas	Statewide
Louisiana	Statewide	Utah	Statewide
Maryland	Statewide	Vermont	Statewide
Massachusetts	Statewide	Washington	Expanding statewide
Minnesota	Statewide	Wyoming	7 Counties

Source: FNS Officials

¹Status of EBT system implementation as of the end of July 1999.

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Appendix IV to Slides

**Status of Year 2000 Readiness at the 25 States With Approval
From FSIS to Operate Their Own Food Safety Inspection
Programs¹**

State	Has Y2K Plan?	Is Y2K Ready?	Has Contingency Plan?
Alabama	✓		
Arizona	✓	✓	✓
Delaware	✓	✓	✓
Georgia	✓		✓
Illinois	✓		✓
Indiana	✓		
Iowa	✓	✓	
Kansas	✓		✓
Louisiana	✓		✓
Minnesota	✓	✓	✓
Mississippi	✓	✓	✓
Montana	✓		
New Mexico	✓	✓	
North Carolina	✓		✓
Ohio	✓	✓	
Oklahoma	✓	✓	✓
South Carolina	✓	✓	✓
South Dakota	✓	✓	✓
Texas	✓	✓	✓
Utah	✓		✓
Vermont	✓		✓
Virginia	✓		✓
West Virginia	✓	✓	✓
Wisconsin	✓		
Wyoming	✓	✓	✓
TOTAL	25	13	18

¹Information provided by FSIS officials that was reported by the states as of the end of June 1999. FSIS has not verified or updated this information since then.

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